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Item 4 of the provisional agenda



**Consideration of requests by States Members of the United Nations
and/or its specialized agencies that are not members of ESCWA
to participate as observers in the thirtieth
session of the Commission**

Note from the Executive Secretary

1. Rule 63 of the Rules of Procedure of the Economic and Social Commission for Western Asia provides that:

“The Commission may invite any Member of the United Nations or of a specialized agency that is not a member of the Commission to participate in its deliberations on any matter which the Commission considers to be of particular concern to that State. A State thus invited shall not have the right to vote, but may submit proposals which may be put to the vote at the request of any member of the Commission”.

2. The secretariat will inform the Commission at its thirtieth session of the relevant requests that it has received, for consideration and decision.



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Item 6 of the provisional agenda



Megatrends in the transport sector and their impact on the Arab region

(Concept note)

Summary

The present document was drafted by the Economic and Social Commission of Western Asia (ESCWA) within the framework of preparatory studies to develop a common strategic vision on the development of multimodal transport to promote economic and social integration in the Arab region, so as to strengthen stability and growth and achieve inclusive and sustainable development.

The document reviews megatrends in the transport sector, which are influenced by various geographic, economic, social, regulatory, technological and political factors that together will contribute to moulding the global transport landscape over the period 2030-2050. These factors include the Chinese Belt and Road Initiative, the impact of climate change on opening new shipping lines through the Arctic Ocean, hyperloop trains with speeds exceeding 1,000 kilometres per hour, the use of clean energy sources and solar energy as alternatives to fossil fuels, the digital revolution and the regulatory solutions it provides, and self-driving vehicles, among other issues related to future developments in the transport sector and the potential new challenges for transport in the Arab region.

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Introduction

1. The transport sector is characterized by long periods of slow growth, punctuated with rapid and profound transformations in the form of singularities or revolutions in the development process, as a result of a combination of various factors known in some literature as the 'forces of change in the transport sector'¹ or as 'drivers of change in the transport sector' in more comprehensive and widespread references.²
2. Given the significant importance of infrastructure investments in the transport sector and their high cost, and the sector's strong impact on people's lifestyles and social and economic activities, it is vital that decision makers and those responsible for planning and managing the sector anticipate expected future trends to incorporate them into planning scenarios for the sector's future development to effectively meet changing needs in a timely manner.
3. The Economic and Social Commission for Western Asia (ESCWA) is preparing a project on formulating a strategic vision to develop a multimodal transport system in the Arab region, in collaboration with member States and in coordination with international and regional development bodies. The project focuses on revealing global transport megatrends and their potential implications for the Arab region, so as to prepare processes and strengthen cooperation to handle those trends and tackle their challenges.
4. The present document sets out the general framework for studying the major drivers of change in the transport sector and highlights the expected transformations in that field, for inclusion in the strategic vision. The present document serves as a basis for discussing ideas on the topic, which will be complemented by three expert group meetings on drivers of change and their expected implications for air, sea and land (road and rail) transport.

I. CONCEPTUAL FRAMEWORK

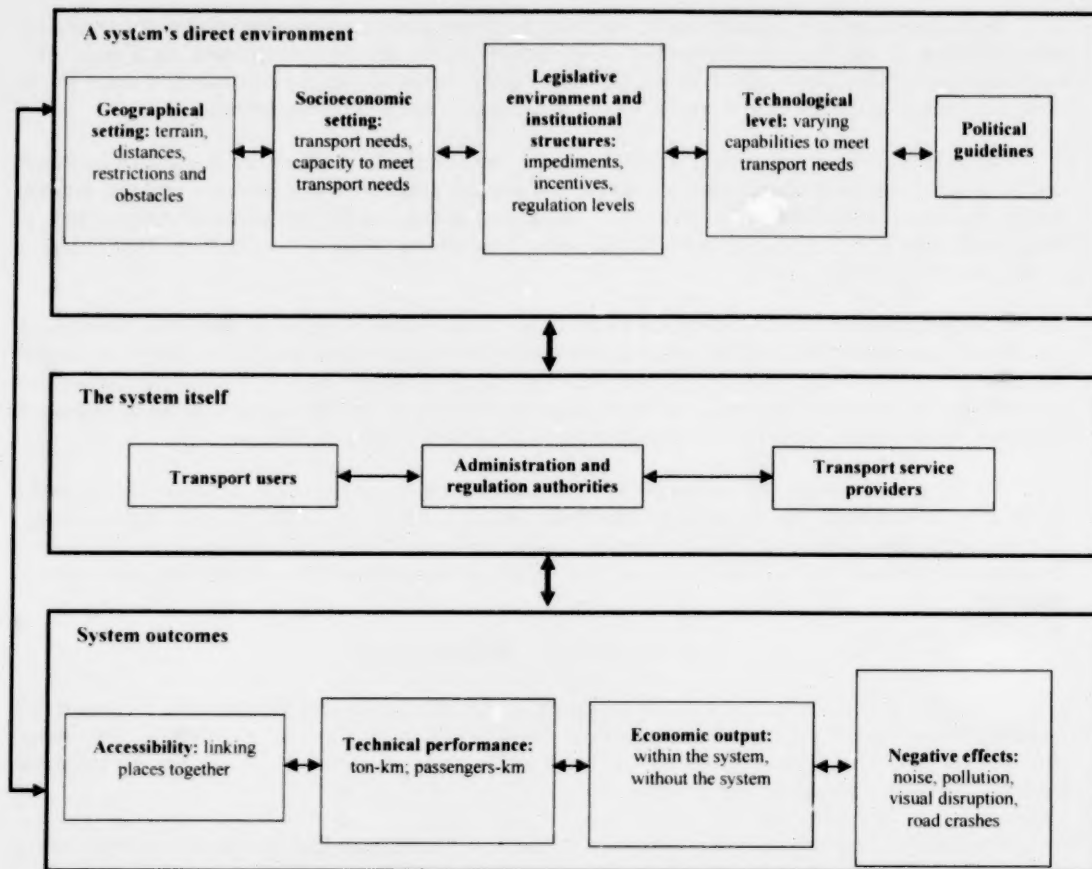
5. Transport, with its various aspects and economic, social and environmental dimensions, is considered a multidisciplinary scientific sector with various perspectives on how to study and solve challenges. The general systems approach is the most appropriate and integrated conceptual framework to explain the reciprocal influences between transport-related activities.
6. The General System Theory was developed by the Austrian biologist Ludwig von Bertalanffy over the period 1928-1968 as a general approach to understanding complex phenomena. It assumes the presence of a system consisting of various interrelated components of matter, energy and information, thus depicting the system as a specific entity with defined functions within its environment.³
7. The application of the systems approach to understanding the transport sector has gradually matured as a result of various consecutive intellectual contributions. Multilevel schematic representation, developed by Reichman, is considered the clearest conceptual framework for representing the transport system and its internal and external interrelationships (figure 1).

¹ ICF International, "Long range strategic issues facing the transportation industry: final research plan framework", paper prepared for National Cooperative Highway Research Program Project 20-80, Task 2, Fairfax, 2008.

² Jean-Paul Rodrigue, Claude Comtois and Brian Slack, *The Geography of Transport Systems*, 4th ed. (New York, Routledge, 2017).

³ Ludwig von Bertalanffy, *General System Theory*, 3rd ed. (New York, Willy, 1968).

Figure 1. Schematic representation of the transport system



Source: S. Reichman, *Les transports : servitude ou liberté ?* (Paris, Presses universitaires de France, 1983).

8. The ESCWA secretariat set out a detailed explanation on the application of the systems approach to transport issues in a document on the relationship between transport and the Sustainable Development Goals (SDGs), which it presented to the Committee on Transport and Logistics at its seventeenth session, held in Cairo on 23 and 24 January 2017.⁴ The present document will therefore only review the advantages of the systems approach in understanding transport system evolution mechanisms, and will identify the main drivers that could shape future evolution.

9. The main elements of Reichman's approach can be summarized as follows:

(a) To understand transport issues, it is necessary to analyse the reciprocal relationships and influences between the system's various components, its environment and its outcomes;

⁴ E/ESCWA/EDID/2016/IG.1/5(Part I).

(b) Evolution in the transport sector is not always linear: the sector might temporarily stabilize in a given state because of the balance between different forces expressing conflicting interests. When this balance is upset, the system might move from a stable state to an unstable state or vice versa;

(c) Evolution in the transport sector occurs over the long term through significant structural transformations that generally accompany major changes in the system's environment, especially but not exclusively changes related to technological revolutions and their profound impact on the economy, society and people's way of living.

10. Below are the drivers of change affecting the transport sector as delineated in figure 1, which shows that the transport system's status, at any given time, is governed by the following factors:

- (a) The system's geographical and environmental settings;
- (b) The socioeconomic setting and the transport needs and solutions that it presents;
- (c) The legislative environment, institutional structures and existing governance system;
- (d) The technological level and the solutions and innovation it provides;
- (e) Political guidelines and the resulting measures and decisions that impact the transport system.

11. Analysis of those factors reveals that evolution in the transport system occurs as a result of the reciprocal relationships between factors and between the components of the system itself: transport service providers transport people and goods in return for a fee, under the supervision of regulatory bodies responsible for setting comfort, safety and environmental standards and for ensuring their implementation. The system's future is affected by its current performance in terms of general satisfaction with connections between destinations, and with the quality of services that complement transport services and their impact on the economy, society and the environment.

II. TRANSPORT SECTOR TRENDS AND THEIR EXPECTED IMPACT ON THE ARAB REGION

12. In view of the above, by separating between population and social aspects, on the one hand, and economic and financing aspects, on the other, it becomes possible to study drivers of change in the transport sector according to the following groups of factors and the reciprocal relationships between them: geographic and environmental; macroeconomy and financing; population and social factors; government regulation; political factors and conflict; and technology.

A. GEOGRAPHIC AND ENVIRONMENTAL FACTORS

13. Geography impacts the transport sector through the nature of the terrain, which determines the type of transport used. Transport services differ between flat areas and rugged mountainous areas. For centuries, bodies of water formed natural borders dividing human settlements until water navigation was developed thus enabling sailing and exchanges across waterways, which were more rapid and efficient than land transport.

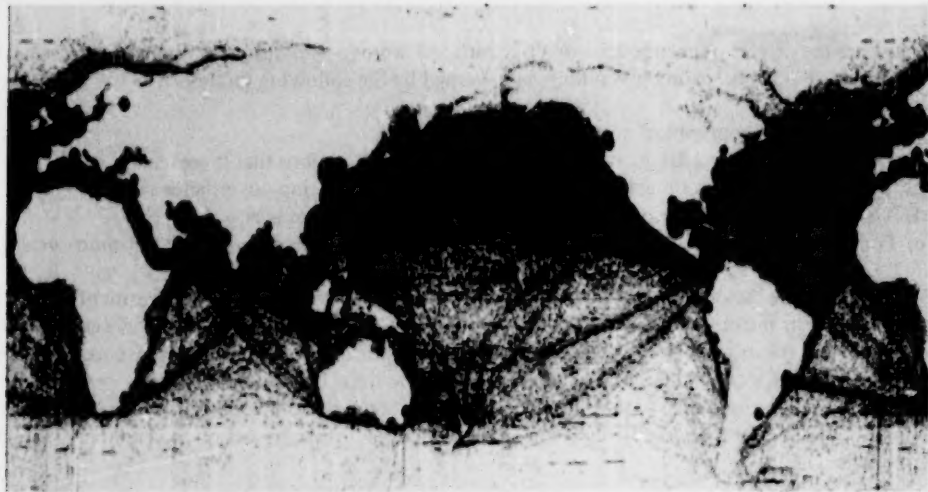
14. Throughout history, the Arab region's geographic location has been of great importance as an unavoidable transit corridor for the exchange of goods between various civilizations. Control of transit and trade corridors was a significant source of economic income, which contributed to the growth and prosperity of many cities and kingdoms in the Middle East, such as Yemen, Mecca, Petra and Palmyra, and resulted in the establishment of major cities that owed their existence to traditional trade in silk and spices, including Mosul, Damascus, Aleppo and Antakya, which were key hubs on traditional trade routes.

15. Today, the importance of marine transport for international trade is evident,⁵ representing 70 per cent of the value of internationally traded goods and 80 per cent of the volume of those goods. Most goods are

⁵ E/ESCWA/EDID/2016/IG.1/4(Part II).

transported by sea via a major shipping route that stretches between China in the East and North Europe and America in the West. This route services several major Arab ports in the Arabian Gulf (Dubai and Sharjah), the Arabian Sea (Salalah and Aden), the Red Sea (Jeddah and Aqaba), the Mediterranean Sea (Alexandria, Port Said, Damietta, Beirut and Lattakia), through to Tangiers on the Atlantic gateway to the Mediterranean Sea (figure 2).

Figure 2. Main east-west shipping route and the largest container ports



Source: United Nations Conference on Trade and Development (UNCTAD), *Review of Maritime Transport 2014* (New York and Geneva, 2014), p. 107.

16. In addition to international shipping, the Arab region's geographic location is also vital to air transport given its centrality between North-west Europe and South-east Asia. Many Arab airlines, especially Gulf airlines, have witnessed significant growth in passenger transit between North-west Europe and South-east Asia via major airports built for that purpose in the Arabian Gulf, including in Dubai, Abu Dhabi and Doha.

17. Nevertheless, this traditional advantage of the Arab region's geographic location is facing threats from various factors and projects, which could considerably reduce transit services through the Arab region, notably the Chinese Belt and Road Initiative; the possibility of opening a shipping route between Asia and Northern Europe through the Arctic Ocean; and the potentially weakened role of oil and gas as principal sources of energy worldwide because of environmental concerns.

1. *Belt and Road Initiative*

18. In September 2013, the Chinese President announced a strategic Chinese initiative to develop a network of land and sea routes to diversify Chinese export channels across the world. At the start, it was known as the One Belt One Road Initiative, then as the Belt and Road Initiative, and sometimes as the New Silk Road.⁶ The initiative aims to finance various infrastructure projects in the field of transport and logistics to strengthen Chinese trade relations with emerging countries in Africa and Central Asia, on the one hand, and to develop

⁶ The Economist, "What is China's belt and road initiative?", 15 May 2017, available at www.economist.com/the-economist-explains/2017/05/14/what-is-chinas-belt-and-road-initiative; and Tom Phillips, "The \$900bn question: what is the belt and road initiative?", *The Guardian*, 12 May 2017, available at www.theguardian.com/world/2017/may/12/the-900bn-question-what-is-the-belt-and-road-initiative.

northern and western Chinese provinces that are relatively distant from major Chinese ports by directly linking them via rail to European markets, on the other.

19. The total value of the proposed projects under the initiative is estimated at around \$1 trillion in roads, railways and sea port investments (figure 3).⁷

20. Advances in the development and implementation of the initiative's projects have raised questions about their potential impact on sea transport via the Suez Canal and the Mediterranean Sea to Northern Europe. They could also shift focus from major regional sea ports in the Arabian Gulf to new ports in the Indian Ocean, the Arabian Sea and the eastern coasts of Africa.

2. Opening Arctic shipping lanes

21. In the longer term, the current international shipping route through the Arab region could face competition. Climate change has revealed new shipping lanes, with potentially significant repercussions for sea transport in Arab countries. The steady rise in global temperature is melting the Arctic polar ice caps, opening the way for commercial sailing in ever-growing parts of the Arctic Ocean, and over longer periods of the year.

Figure 3. Main routes of the Belt and Road Initiative



Source: Geopolitical Intelligence Services, "What China's new silk road means for Europe", 27 November 2017. Available at www.gisreportonline.com/debate-what-chinas-new-silk-road-means-for-europe.expert-view.2425.html.

22. A report by the United Nations Secretary-General, presented at the nineteenth session of the Commission on Sustainable Development of the Economic and Social Council, indicated the expected impact of receding ice in the Arctic Ocean, which could lead to the opening of new shipping lanes that reduce the distance between ports in South-east Asia, Northern and Central Europe and the eastern coast of North America by approximately 4,000 nautical miles.⁸ Other studies have shown that new shipping routes, if permanently opened for trade activities, will reduce the distance between East Asia and Western Europe from 21,000

⁷ BMI Research, *Trillion Dollar Trade Route: Winners along the Belt and Road* (London, 2017).

⁸ E/CN.17/2011/4.

kilometres using the Suez Canal to 12,800 kilometres, and will decrease travel time by 10-15 days,⁹ thus reducing costs. The stability of those shorter shipping lanes could result in the transfer of sea transport between North-east Asia and Northern and Central Europe to them, at the expense of the current sea route from the north-east of China to the Singapore Strait, and onwards to the Indian Ocean, the Arabian Sea, the Red Sea, the Suez Canal, the Mediterranean Sea, the Strait of Gibraltar and the North Sea. This transformation could lead to significant reductions in trade volume along the current route, thus negatively impacting sea transport in major ports such as Dubai, Salalah, Jeddah, Port Said, Beirut, Malta, Marseille and Tangiers.

23. The development of a commercial shipping route via the Arctic Ocean has attracted serious attention from the Russian Government, which decided in 2015 to increase the capacity of this route from 4 million tons to 80 million tons over 15 years. It is also working on developing maritime traffic regulations and on providing the required navigational support for the route, while focusing on preventing sea pollution.¹⁰

Figure 4. Comparison between the Arctic shipping route and the current Mediterranean route



Source: RT News, "Russian PM orders plan to increase Northern Sea Route capacity by 20 times", 9 June 2015. Available at www.rt.com/business/265756-northern-sea-route-medvedev/.

24. In August 2017, for the first time in history, the Russian gas tanker *Christophe de Margerie*, owned by Sovcomflot, travelled between Norway and the Republic of Korea in a record-breaking 6.5 days at an average speed of 14 knots, without the assistance of an icebreaker. The *Christophe de Margerie* is the biggest ship built to Arc7 standards, enabling it to sail alone through 2.1 metre-thick ice. It is also the first among 15 ships to be able to transport gas from the Russian Port of Sabetta eastwards over six months of the year (between July and December), and westwards all year round. In the past, the high costs of insurance and icebreakers inhibited the use of the Northern Sea Route; however, the *Christophe de Margerie* has increased incentives to use that route, which is 30 per cent faster than passing through the Suez Canal.¹¹

⁹ Jean-Paul Rodrigue, Claude Comtois and Brian Slack, *The Geography of Transport Systems*, 4th ed. (New York, Routledge, 2017).

¹⁰ RT News, "Russian PM orders plan to increase Northern Sea Route capacity by 20 times", 9 June 2015. Available at www.rt.com/business/265756-northern-sea-route-medvedev/.

¹¹ Matt McGrath, "First tanker crosses northern sea route without ice breaker", *BBC News*, 24 August 2017. Available at www.bbc.com/news/science-environment-41037071.

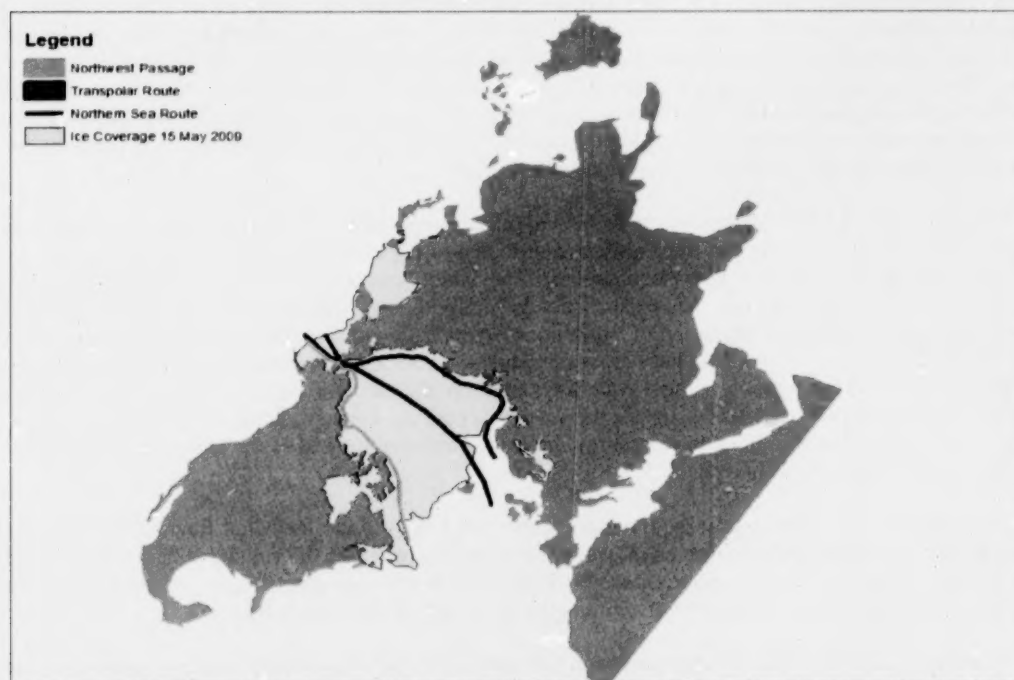
25. If this transformation becomes permanent, it will pose significant challenges for the Arab sea transport sector, which will lose the benefits it currently enjoys from sea transport via the main east-west route through the Suez Canal. It will be necessary to intensify efforts in trade integration between Arab countries, and between the Arab region and Europe and Asia, so as to ensure sufficient activity in major ports to compensate for the potential losses caused by transferring the main shipping route to the Arctic Ocean.

26. In a recent working paper, the *Centre d'études prospectives et d'informations internationales* (CEPII) projected that the steady rise in global temperature will allow for year-round shipping via the Arctic by 2050.¹² The paper also evaluates the effects of opening new shipping lanes in the Arctic on reducing distances between sea ports: it estimates an average reduction of 12.5 per cent, 15.1 per cent and 16.5 per cent, respectively, for three potential new lanes (the North-west Passage, the Transpolar Sea Route and the Northern Sea Route) as shown in figure 5, with the largest reductions affecting distances between Japan and Iceland (45.8 per cent), Japan and Norway (43.2 per cent), and the Republic of Korea and Iceland (41.8 per cent).

27. The paper shows that the overall impact of opening those new lanes will increase international trade by 0.32 per cent, resulting in a 0.02 per cent rise in global prosperity.

28. The paper also predicts that opening the Northern Sea Route will have a negative economic impact on countries in the Caribbean Sea, West Africa, the Mediterranean Sea and the Indian Ocean. Malaysia will be the most affected, with a 0.06 per cent drop in prosperity.

Figure 5. Projected Arctic shipping routes



Source: Jules Hugot and Camilo Umana-Dajud, "Breaking away from icebreakers: the effect of melting distances on trade and welfare", CEPII Working Paper, No. 2017-24 (Paris, Centre d'études prospectives et d'informations internationales, 2017).

¹² Jules Hugot and Camilo Umana-Dajud, "Breaking away from icebreakers: the effect of melting distances on trade and welfare", CEPII Working Paper, No. 2017-24 (Paris, Centre d'études prospectives et d'informations internationales, 2017).

3. *Reduced use of fossil fuels globally as an energy source*

29. Increasing environmental concerns could play a role in redesigning the transport sector, through international consensus on reducing polluting and greenhouse gases. Given that petroleum products used in the transport sector cause emissions, trends are moving towards replacing oil with less polluting energy sources such as gas, and renewable energy such as wind and solar power. A 1990 prospective study conducted by a French research team led by Thierry Gaudin projects an increase in global energy consumption from 9,700 million tons of oil equivalent (TOE) in 2020 to 11,500 million TOE in 2060. However, it also predicts a drop in fossil fuel use (coal, oil and gas) as a share of total consumption over the same period, from 6,700 TOE to 3,500 TOE, thus increasing the share of other energy sources such as nuclear power and bionergy, especially solar energy, whose consumption will rise from 300 million TOE in 2020 to 1,500 million TOE in 2060.¹³

30. Decreasing global demand for fossil fuels will lead to a drop in oil transport from the Arab region to the rest of the world and to a decrease in revenue from oil extraction and export, which might cause a significant deficit in resources needed to achieve economic and social development in countries that rely on oil exports, including the reduced possibility of developing costly infrastructure for transport networks and of preserving the required maintenance to ensure the adequate level of services and safety standards.

B. MACROECONOMIC AND FINANCING FACTORS

31. The reciprocal relationship between transport and economic production is evidenced through the schematic representation of transport systems (figure 1). The transport sector itself can be a productive sector through the added value created by its various activities, including spatial value added achieved by transporting goods from production sites to consumption spaces at competitive prices, or time value added achieved through the provision of certain goods in the marketplace at a specific time (such as providing gifts before the Christmas period rather than after it, when demand drops and the products lose most of their value). Moreover, transport is critical to achieving value added in other economic sectors, since agricultural goods, semi-finished products, equipment and machinery need to be transported from production sites to consumption spaces to complete the cycle that enables the achievement of added value in any sector.

32. History is littered with lessons on the reciprocal relationships between economic factors and transport systems. Developments in transport have always contributed to the expansion of economic production, by allowing goods to travel farther while preserving their sale viability and competitiveness in new markets, thus increasing demand for production. Such expansion is generally the result of rapid developments in existing transport patterns, such as the expansion of water transport in Europe in the late seventeenth century when numerous water links were established between major navigable rivers, which interconnected human habitats, agricultural areas and sea ports.¹⁴ Without waterways used for the efficient and low cost transport of coal, metals and agricultural products needed to feed the increasing numbers of people attracted by industry in cities, the Industrial Revolution would not have occurred in Europe between the end of the eighteenth century and the middle of the nineteenth century.

33. The second significant leap in the transport sector was linked to the Industrial Revolution itself: the steam engine was used to operate trains on railways, which greatly increased the volume of land transport and facilitated the transport of natural resources, crops and products to any area accessible by rail, thus increasing the gains of the Industrial Revolution by distributing its products wider and at a lower cost.

34. Container shipping is the contemporary mode of transport in the international economy, adopted in the last quarter of the twentieth century. Containers have significantly expedited the loading and unloading of ships, thus considerably reducing the cost of sea transport over ever-increasing distances, which played a large

¹³ Thierry Gaudin, éd., *2100, récit du prochain siècle* (Paris, Éditions Payot & Rivages, 1999).

¹⁴ Bernard J. Smales, *Economic History: Made Simple* (London, W. H. Allen, 1975).

role in the transfer of key industries from their homelands in North America and Northern Europe to Southeast Asia so as to benefit from lower production costs and lower transport costs to reach consumers in rich countries.

35. The existing distribution system between production sites in South East Asia and consumption spaces in Northern Europe and North America could face threats in the future because of various factors discussed below.

1. *Relocation of industries to high-income countries*

36. There are increasing calls to relocate the industrial complexes of multinational organizations to high-income countries in Northern Europe and North America, so as to recreate job opportunities that those countries lost when the industrial complexes were moved to South East Asia in the early 1990s to benefit from lower production costs because of lower labour, land and building costs, among others.¹⁵

37. Several campaigns have been launched against the delocation of industrial complexes to South East Asia since the start of the phenomenon, with critics arguing that the move has increased unemployment in developed countries since the end of the 1990s.¹⁶

38. In the second decade of the twenty-first century, demands to move industries back to developed countries have taken a new turn, becoming more intense since President Trump (who was sworn in on 20 January 2017) decided to incorporate the issue into his work programme. He campaigned on promises to reinvigorate goods produced in the United States. Since his election, Trump has threatened to punish American enterprises that insist on keeping their factories outside the United States, either in Mexico or South East Asia.¹⁷ Given that the Trump Administration has begun imposing trade tariffs on several products imported from China,¹⁸ his threats to take measure that encourage the return of industries should be taken seriously.

39. If Trump's measures are successful, and if some European Governments decide to follow suit, this could lead to reduced trade volumes along the main shipping route that currently passes through the Arab region, thus decreasing revenues from sea transport services in key Arab ports that benefit from the route. Moreover, plans to significantly invest in broadening and developing the ports' work will become economically futile, thus losing potential employment opportunities from those investments.

2. *International trade trends towards emerging economies*

40. An emerging market is a country that has some characteristics of a developed market, but does not meet standards to be a developed market.¹⁹ Although the most prominent emerging countries globally are Brazil, the Russian Federation, India and China, known as the BRIC Group, there are currently 25 countries classed as emerging economies in Asia, Central Europe, the Middle East, Africa and South America.²⁰ Those countries share common features such as high economic growth over a minimum of three years, the existence of large enterprises, open markets and ease of business; however, they are still susceptible to political, social and financial threats.

¹⁵ Jean-Louis Mucchielli, *Multinationales et mondialisation* (Paris, Éditions du Seuil, 1998).

¹⁶ Ibid, p. 345.

¹⁷ Ylan Q. Mui, Matea Gold and Max Ehrenfreund, "Trump threatens 'consequences' for U.S. firms that relocate offshore", *The Washington Post*, 1 December 2016. Available at https://www.washingtonpost.com/politics/trump-threatens-consequences-for-us-firms-that-relocate-offshore/2016/12/01/a2429330-b7e4-11e6-959e-172c82123976_story.html?noredirect=on&utm_term=.3e26e550ec47.

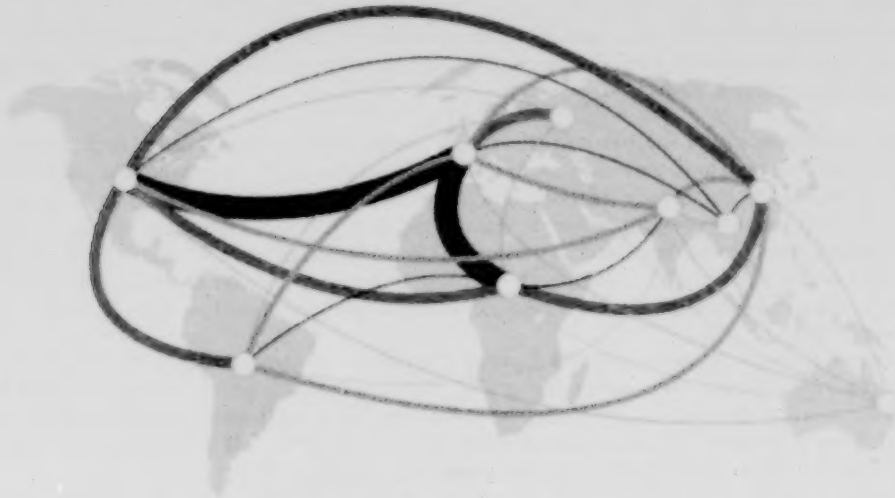
¹⁸ Valentina Romei, "US-China trade tariffs in charts", *Financial Times*, 5 April 2018. Available at www.ft.com/content/e2848308-3804-11e8-8ecc-e06bde01e544.

¹⁹ MSCI, "MSCI market classification framework", June 2014. Available at www.msci.com/documents/1296102/1330218/MSCI_Market_Classification_Framework.pdf/d93e536f-ccc1-4e12-9b69-ec3886ab8cc8.

²⁰ MSCI, "MSCI ACWI and frontier markets index", Market-classification database. Available at www.msci.com/market-classification (accessed on 10 May 2018).

41. Transport plays a key role in strengthening emerging economies in terms of international trade, with some experts claiming that the international driver of growth has moved from developed countries to emerging economies.^{21,22} Steady growth in gross domestic product (GDP) and in total national wealth in emerging economies could transform transport and international trade streams in the future, with the possibility of a reduced share for the current major shipping route between South East Asia and Northern Europe because of the development of numerous trade flows between emerging economies, and between emerging economies and developed economies. Figure 6 shows the future international network for the exchange of goods, compared with figure 2 depicting the current international trade network that is centred on the principal east-west shipping route.

Figure 6. Future trade streams in the light of growing emerging economies



Source: James Manyika and others, *Global Flows in a Digital Age: How Trade, Finance, People, and Data Connect the World Economy* (New York, McKinsey & Company, April 2014).

3. Financing for development challenges

42. To keep pace with increasing needs in Arab countries and developments in global transport, the region must make significant investments in costly transport infrastructure, including roads, railways, airports and seaports.

43. Financial and funding difficulties are major challenges impeding the full establishment of infrastructure networks needed to connect Arab countries.²³ Financing future transport projects has become increasingly difficult as projects become more technologically complex and costly, and has coincided with a sharp drop in Arab countries' revenue and funding allocations for development because of continuing crises in some

²¹ Lesley Wroughton, "Emerging markets set to drive 2018 global growth - World Bank", *Reuters*, 10 January 2018. Available at <https://in.reuters.com/article/economy-worldbank/emerging-markets-set-to-drive-2018-global-growth-world-bank-idINKBNIEZ010>.

²² Financial Times, "Emerging markets are set to lead globalization: we should embrace the next wave, rather than fomenting a backlash", 10 April 2017. Available at www.ft.com/content/f60d77a4-1ded-11e7-b7d3-163f5a7f229c.

²³ كمال حسن علي، "استعراض الواقع الحالي لربط شبكات البنى التحتية بين الدول العربية في مجال النقل، الاجتماع التشاوري حول محاور الربط الحيوي بين البلدان العربية" (بيروت، الإسكوا، 23 نيسان/أبريل، 2018).

countries and a reduction in petroleum product sales that are the main source of government funding in other countries.

44. In addition, the debt burden in some Arab countries has exceeded a certain level as a share of GDP, thus hampering country efforts to receive development loans for transport infrastructure.

45. The unstable political situation in the region is an obstacle to potential private sector involvement in financing and operating infrastructure and various transport facilities, thus impeding various forms of public-private partnerships at the national and international levels.

C. DEMOGRAPHIC AND SOCIAL FACTORS

46. Demographic and social factors are expected to increase demand for transport services in the future because of population growth, and to alter the nature of that demand in terms of spatial concentration and consumption patterns.

1. Disparities in population growth

47. It took hundreds of thousands of years for the world's population to reach 1 billion, which then grew exponentially over 200 years to reach 7 billion in 2011. Estimates show that the world's current population is 7.6 billion.²⁴

48. However, recent decades have seen disparities in population growth between high-income countries characterized by stable population growth, and several middle and low-income countries with growing populations (figure 7).

49. Figure 7 shows that most Arab countries are witnessing rapid population growth compared with other countries globally, as are some countries in Central Asia and Africa.

50. Rapid population growth in Arab countries poses significant challenges for future transport systems, which must fulfil increasing demand for the transport of people and goods, thus requiring prior planning to develop transport infrastructure and services that meet the increasing future needs of growing populations.

Figure 7. Disparities in population growth globally



Source: United Nations Population Fund (UNFPA), "World population growth: average annual rate of population change", World Population Trends. Available at www.unfpa.org/world-population-trends (accessed on 10 May 2018).

²⁴ United Nations Population Fund (UNFPA), "World population growth: average annual rate of population change", World Population Trends. Available at www.unfpa.org/world-population-trends (accessed on 10 May 2018).

51. Not taking population growth into account when planning future transport projects will result in their failure to meet needs and in congestion at transport hubs and on roads, leading to longer travel times and negative environmental effects.

52. Globally, disparities in population growth between high-income and medium- and low-income countries will lead to slower economic growth and weaker demand for goods in northern countries, if consumption patterns remain unchanged therein, which will alter international streams for transporting raw materials and goods. For example, weaker demand for petroleum products in the northern hemisphere will impact their transport, on the one hand, and resources derived from the production and distribution of those products, on the other.

53. Projections show that significant population growth in southern countries will increase transport streams from global production sites for resources, crops and products required to meet population needs, especially when domestic production is not feasible because of a shortage of water resources and desertification.

2. Urban pressure and the spread of megacities

54. Population growth in middle- and low-income countries is concentrated in cities because of people's desire for employment opportunities that are no longer sufficiently available in rural areas.

55. The negative impact of migration from rural areas to cities and uncontrolled population growth in cities that poses challenges to sustainable development efforts are the focus of international meetings, such as the recent Arab Forum on Sustainable Development (Beirut, 24-26 April 2018) that dedicated a plenary session to discussing the theme of planning for resilient, inclusive and sustainable cities. Discussions highlighted the dangers of continuing environmental degradation in Arab cities, which might impede their ability to absorb growing populations.²⁵

56. Estimates show that cities will comprise two-thirds of the world's population by 2030, mostly in megacities with populations exceeding 10 million.²⁶

57. Population growth in cities and the spread of megacities pose significant challenges to future transport services therein, including people's daily transport needs, and to providing inhabitants with the requirements for living in cities such as natural resources, food and clothing.

58. There is consensus that individual transport solutions in large cities will be unrealistic in the future. Wider and new roads will quickly become congested with personal vehicles, resulting in complete gridlock. There is therefore no alternative but to resort to public transport solutions, known as 'heavy solutions', to meet the future transport needs of city-dwellers, such as metro lines, suburban rail and rapid regional transport networks. However, such solutions are very costly, exceeding the financial capacity of some cities and even of many low-income countries. Moreover, it will be necessary to find innovative solutions to attract investments from the private sector in that field without making public transport unaffordable for many social groups, which could be achieved by combining heavy public transport projects and smart real estate development projects, thus repaying private sector investments that cannot be recompensed through public transport projects alone.

²⁵ More information on discussions at the Arab Forum for Sustainable Development, which was held in Beirut from 24 to 26 April 2018, is available at www.unescwa.org/events/arab-forum-sustainable-development-2018.

²⁶ Allianz SE, "The megacity of the future is smart", 30 November 2015. Available at www.allianz.com/en/press/news/studies/151130_the-megacity-of-the-future-is-smart/.

3. *Changing behavioural patterns*

59. Among the large drivers of change in the field of transport, behavioural patterns play a major role in developing transport routes in line with changes in consumption. The Silk Road is the oldest example of this: silk production was well known in China, but the industry was protected for a long time. When other societies became familiar with silk yarns and woven fabric, several routes were established to transport silk from China to European countries. Controlling those routes became a major concern because of the revenue they created, resulting in conflict between neighbouring empires along those routes.

60. Another example of the impact of changing behavioural patterns on transport is the issue of spices that grew in the East Indies. The discovery of those spices by European societies in the middle ages led to significant developments in land and sea transport. The Arab region played a major role in controlling the spice trade. Competition for control of the spice trails led to the establishment of direct sea routes between Europe and the spice lands after the Portuguese sailor Vasco da Gama discovered the possibility of sailing around Africa via the Cape of Good Hope in 1498.

61. In the sixteenth century, the Spanish were introduced to hot chocolate drink, extracted from the cacao tree, which was considered a ritualistic drink in its homeland of Mexico. The transfer of the drink to Belgium and France caused significant developments in solid chocolate and its widespread exchange globally. The same can also be said about coffee, extracted from coffee beans, which is one of the most traded goods across the world in terms of volume.

62. In contrast, healthy consumption patterns and concurrent campaigns resulted in the gradual erosion of smoking habits worldwide, causing a drop in the trade of tobacco globally.

63. New goods are expected to emerge in the future of international trade, following the current strong exchange in laptops and other mobile devices. Changes are also expected in the mindsets of various social groups: for over a century, the idea of owning a car has dominated consumer patterns, allowing those who can afford them to travel freely; however, projections show a decreasing desire to own cars because of the widespread ability to rent cars online and through smartphone applications, enabling people to travel at any time to any place using an appropriate type of vehicle for their travel needs (figure 8).

Figure 8. Rental cars in Brussels booked via a car-sharing smartphone application



Source: Photo taken on 3 July 2017 by author.

64. It is also very likely that people in the future will begin opting for car-sharing options rather than owning a car, especially following the spread of self-driving cars that will meet all travel needs without the stress of parking: after dropping off one passenger, a driverless car can move on to pick up another who is close by, as will be shown further in the present document.

D. REGULATION AND GOVERNMENT

65. The future poses several challenges in the governance of the transport sector related to the stability of current patterns in globalized production and trade, and to the outcomes of the digital revolution and the widespread use of its applications.

1. *Specifications and technical limitations*

66. With the growing popularity of free trade resulting in the exchange of goods across geographically distant regions in a manner that is open to all economic actors, there is a growing need for consensus on the market specifications of goods and on their transport procedures. If standardized specifications for the sale and transport of goods aim to protect consumers and guarantee goods delivery without damage, then the concerns of large international producers must also be taken into account regarding the protection of their products from competition by market newcomers, especially in emerging economies. Pressure groups and lobbyists are attempting to influence many regulatory decisions on specifications issued by international and regional bodies, such as the World Trade Organization and the European Union. The role of pressure groups, which represent private interests, has become more evident in decisions emanating from the Trump Administration, including attempts by the two airline giants United Airlines and American Airlines to encourage the Trump Administration to impose restrictions on the movement of Gulf airlines (Emirates, Etihad and Qatar Airways) to the United States under the pretext of unfair competition. However, they did not succeed because of opposition from large enterprises in the field of airplane manufacturing, which consider Gulf airlines their prime customers; the sale of aircraft provides significant revenue and employment opportunities.²⁷

2. *International agreements*

67. International agreements in the field of transport form a general framework for regulating transport activities at the international and regional levels. Agreements are followed up in various ways, according to the type of transport. The International Civil Aviation Organization develops and follows up on air transport agreements, while the International Maritime Organization is responsible for regulating technical affairs in global sea transport and for categorizing countries according to their compliance with technical systems on maritime transport, especially those related to safety. The regulation of road transport is shared between the United Nations regional commissions, particularly the Economic Commission for Europe, which has developed 58 agreements²⁸ on regulating all aspects of road transport in Europe, covering vehicle safety and specifications and the standardization and facilitation of various cross-border international transport processes (figure 9).

²⁷ Zahraa Alkhalisi and Jon Ostrower, "American airlines want Trump to take on their Gulf rivals", CNN, 7 February 2017. Available at <http://money.cnn.com/2017/02/07/investing/airlines-american-gulf-carriers-trump/index.html>.

²⁸ United Nations Economic Commission for Europe, "Number of UN transport conventions and agreements per country" Transport database. Available at www.unece.org/trans/maps/number-of-un-transport-conventions-and-agreements-per-country.html (accessed on 10 May 2018).

Figure 9. Countries' accession to land transport agreements

Source: United Nations Economic Commission for Europe, "Number of UN transport conventions and agreements per country". Transport database. Available at www.unece.org/trans/maps/number-of-un-transport-conventions-and-agreements-per-country.html (accessed on 10 May 2018).

Note: Dark to light green denotes the number of transport agreements per country from high to low.

68. Figure 9 shows the weak accession of Arab countries to international land transport agreements, with the exception of Morocco and Tunisia, which could pose future challenges to Arab countries' ability to transport exports by land to potential markets, especially given other countries' high accession rates, particularly in neighbouring regions.

69. ESCWA is monitoring the implementation of two regional agreements on international roads and railways, and is encouraging all Arab countries to accede to them to ensure compatibility between countries on road and rail connections for stronger Arab regional integration, and on common technical specifications for those connections. Similarly to international agreements, accession to the ESCWA agreements and commitment to their implementation raise challenges for facilitating regional connections and the smooth flow of goods and people via road transport between Arab countries and between the Arab region and the rest of the world.

3. Open governance and social participation in performance evaluation

70. Modern technology has caused transformations in governance and performance evaluation in various transport fields, such as gradually increasing transport beneficiaries' participation in evaluation processes in an open and transparent manner. For example, mobile taxi applications, such as Uber and Careem, enable users to rate their services and provide the cumulative outcomes of customer evaluations through star ratings between one and five, thus benefiting drivers who maintain high ratings and informing users of their prospective driver's rating before they accept the ride.

71. All beneficiaries of transport services provided by enterprises or individuals can participate in this evaluation process, thus gradually increasing competition to improve service quality and, in turn, improving services to meet user requirements, while replacing evaluation processes by third parties with customer direct reviews.

E. POLITICAL FACTORS AND CONFLICT

72. The potential impact on the transport sector of political crises and conflicts raging in some Arab countries since the turn of the century should be taken into account, especially those in Iraq, Libya, the Syrian Arab Republic and Yemen and the decades-long Israeli occupation in Palestine. There are also growing concerns on the spread of such conflict to Gulf countries following the ongoing blockade of Qatar recently imposed by neighbouring countries.

73. History has shown the effects of conflict and war on altering regional transport routes, which could lead to the disappearance of traditional routes and the establishment of temporary or permanent alternative routes.

74. The main impact of conflict and war is reflected in the closure of traditional routes, which could negatively impact parties that benefited from the exchange of goods before the start of the conflict. For example, the Russo-Turkish War (1768-1774) led to the annexation of Crimea from the Ottoman Empire, thus depriving the Turkish Anatolian plateau of the ability to exchange goods in that area of the Black Sea which used to be a traditional market for fabric produced in Antolia. Moreover, the collapse of the Ottoman Empire after the First World War and the redrawing of borders separated Aleppo from its fabric market in Cilicia thus negatively impacting Aleppan fabric producers. The French mandate prohibited the export of Aleppan fabrics to other markets, leading to the industry's collapse during that period.²⁹

75. The conflict in the former Republic of Yugoslavia in the 1990s cut off land transport between Greece and other European countries, which was substituted with sea routes that were opened as a temporary solution but became permanent, thus replacing the truck routes that never reclaimed their role following the end of the conflict and the break-up of Yugoslavia.

76. Today, the Syrian conflict has cut off road transport routes that linked Lebanon and Turkey to Gulf countries. An alternative route for Turkish exports has emerged using roll-on/roll-off ships via Haifa and Jordan, which Israel is striving to promote as a permanent transit route.

F. TECHNOLOGICAL AND DIGITAL REVOLUTIONS

1. Solar energy

77. The sun is the original source of energy for life on Earth. Other than nuclear power and thermal energy from within the Earth, all other types of energy used by human beings are derived directly or indirectly from solar energy. This applies to most energy used since the spread of internal combustion engines in the second half of the nineteenth century; in other words, the energy created by burning fossil fuels, such as coal, gas and petroleum derivatives. Such resources are created through geological pressure over millions of years on layers of plankton, which would not have existed in the first place without solar energy.

78. The direct use of solar energy to generate electricity to operate machinery used daily in industry and transport appears more efficient and logical than waiting several million years for the creation of more fossil fuels.

79. The transformation from fossil fuel-reliant internal combustion engines to sustainable electricity from solar energy is not the result of fears that fossil fuels are becoming depleted, but rather aims to achieve energy efficiency. Similarly, the transformation from the Stone Age to the Bronze Age was not caused by the depletion of stones, but because of the discovery of a more efficient material for making better tools that helped human beings advance, which they used for agriculture, hunting, protection, construction and maintenance in their daily lives.

²⁹ Donald Quataert, *The Ottoman Empire 1700-1922*, 2nd ed (Cambridge, Cambridge University Press, 2005), p. 127.

80. Relinquishing oil will cause a large drop in revenue in many Arab countries, which can only be compensated through early investments in projects to generate electricity from solar energy, similar to the giant projects announced by Saudi Arabia.³⁰

2. Hyperloop trains

81. Hyperloop trains will be available in the near future, most likely by 2030. They are a promising invention that could significantly impact the future of transport.

82. These trains, which travel within a tube or tunnel above ground at a speed of around 1,000 kilometres per hour, will pose a considerable challenge for air transport because of their safety and low-energy use compared with air travel. They might change consumption patterns, especially if they are available from city centres like ordinary trains, rather than having to travel relatively far to reach airports that are generally located at a distance from cities and large urban areas.

83. As was the case in the 1980s when high-speed trains were introduced, hyperloop trains travelling at 1,000 kilometres per hour could cause a significant transformation by drastically reducing the space-time ratio. For example, an individual living in a city 500 kilometres away from the capital which is serviced by a hyperloop train will in practical terms be closer to the capital than an individual living 30 kilometres away but has to use low-speed and congested transport.

3. Self-driving vehicles

84. Driverless vehicles might be the most significant outcome of the digital revolution in the field of transport. Many car manufacturers are currently working on producing driverless vehicles, which are being tested in several American and European cities. Such vehicles are expected to be ready for commercial distribution by 2020, with numerous positive and negative effects. Their positive impact includes providing individual transport services across a wider age group, especially among older persons; significantly reducing traffic congestion; increasing road safety; and freeing up large spaces reserved for parking cars, which will lead to significant improvements in infrastructure and larger recreation and pedestrian areas. However, numerous challenges will have to be overcome before enjoying those benefits, resulting from traditional vehicles and driverless vehicles being on roads simultaneously during a transition period.

85. The spread of driverless vehicles is expected to drastically alter perspectives on transport, with people no longer needing to own cars to travel freely. The concept of private vehicle ownership for the masses coincided with the spike in car production after the Second World War, when private cars were promoted as the only efficient method of transport. Private cars became a widespread commodity, similar to fridges and washing machines. Today, they come in all shapes and sizes to meet the needs of those who can afford them: a classic car for city streets, a four-wheel drive for mountainous areas and sports cars, just to name a few.

86. A 2016 study by the Organization for Economic Cooperation and Development indicates that shared use of small (six passengers) and medium (8-16 passengers) vehicles can meet travel needs in a medium-sized European city like Lisbon by using only 3 per cent of the number of existing vehicles. The study estimates that a single shared vehicle will travel ten times farther than current vehicles, but the overall sum of kilometres travelled daily will drop by 37 per cent, even during rush hour. It also projects that 95 per cent of areas currently reserved for parking in cities will be freed up, and that the cost of city travel will be cut by half.³¹ Similar results can be expected from ride-sharing in driverless cars, thus eliminating the need to buy such vehicles if enough driverless cars are provided to transport people in cities similarly to taxi services currently available

³⁰ Ellen R. Wald, "Saudi Arabia to build massive solar power installation", 29 March 2018. Available at www.forbes.com/sites/ellenwald/2018/03/29/saudi-arabia-to-build-massive-solar-power-installation/#5db76b377a90.

³¹ International Transport Forum, *Shared Mobility: Innovation for Liveable Cities* (Paris, Organisation for Economic Cooperation and Development, 2016), p. 8.

via mobile applications such as Uber and Careem, with the key difference that self-driving cars will have no driver and will respond to passengers' travel needs through specific algorithms for individual or shared use, which are similar, in principle, to the services provided by lifts in buildings.

87. In a book from the year 2000 entitled *The Age of Access*,³² Rifkin claims that future technology will eliminate the concept of ownership and will replace it with paid services. The author foresees the end of ownership of physical goods as a driver of production and growth, which will be substituted with intangible ideas and regulation to generate wealth and prosperity. He also posits that the changes accompanying this transformation will encourage enterprises and individuals to gradually get used to renting commodities, including cars and houses, instead of buying them.

88. The negative impact of driverless vehicles will begin in the transition stage, which will witness unprecedented challenges in road safety that will gradually be resolved. The main concern with self-driving vehicles is that they will make the driving profession redundant, because both private and public vehicles will drive themselves. Special attention should be paid to the social impact of losing hundreds of thousands of jobs currently provided by the transport sector in many countries.

4. *Directly linking transport supply and demand by eliminating intermediaries*

89. The digital revolution is playing a growing role in bringing people closer together and in facilitating access to various services through smartphones, such as restaurant, cinema, hotel and travel ticket bookings, which required the assistance of a third party in the past. The services revolution has made such transactions possible via mobile devices, including electronic payments.

90. Connections provided by Uber and other companies highlight the quality of such taxi services, which will eventually make traditional taxi services obsolete. Following its success in providing taxi services, Uber is now aiming to broaden its services to include road freight through instant connections between lorry drivers and freight customers, including electronic payment following clearance, without the need for tough negotiations and haggling with brokers and transport intermediaries.³³

91. Given the decline in the use of travel agents to book flights and hotels following the prevalence of direct electronic booking services, it is only a matter of time before intermediaries become redundant in transport contracts, starting with road transport then rail, sea and air transport. Social implications will arise from the loss of many jobs in intermediary companies.

92. In a recent study on the future of truck manufacturing worldwide, Deloitte expects a steady increase in the operating efficiency of fleets in developed countries resulting from the widespread use of digital applications to effectively link supply and demand for land freight. The study projects that annual global demand for new trucks will drop to 0.6 per cent until late 2026, and to -0.9 per cent annually between 2016 and 2021 in developed countries in Northern Europe, North America and Asia, reaching an average of -1.4 per cent annually by 2026.³⁴

93. Authorities responsible for regulating the transport of goods in Arab countries will benefit from preempting these changes by standardizing transport operations in line with country specificities, according to the nature and volume of the transported material, distances and delivery deadlines, while taking into account safety and environmental aspects. Such normative activities would benefit from partnerships between cargo regulators and digital application development companies to ensure their success.

³² Jeremy Rifkin, *The Age of Access: The New Culture of Hypercapitalism Where All of Life is a Paid-for Experience* (New York, Putnam Publishing Group, 2000).

³³ Uber Freight. Available at <https://freight.uber.com>.

³⁴ Deloitte, *Global Truck Study 2016: The Truck Industry in Transition* (London, 2017).

III. CONCLUSION

94. Transport systems in countries and regions are governed by their surrounding environment, with its geographic, population, social, economic, government, political and technological dimensions that are interconnected and have reciprocal effects on one another. Consequently, it is not possible to study individual effects of drivers of change; it is necessary to evaluate the interactions of those effects when designing the future of the transport sector.

95. For example, the geographic environment, with its varied terrain (mountains, valleys, seas, lakes and rivers), can restrict the development of transport at a given stage. Subsequently, because of the impact of other factors such as technology, those obstacles can be overcome by establishing transport tunnels through difficult terrain, thus connecting areas that were previously separated.

96. Roads linking neighbouring provinces might not witness significant volumes of transport for long periods because of a lack of transport modes, until an economic or technological transformation allows for the development of flexible transport modes such as minibuses that can be efficiently used to transport passengers between neighbouring provinces. Moreover, such transport modes can link rural and urban areas, thus reducing internal migration by providing comfortable commutes to cities and equipping rural areas with drinking water, sanitation, education and health services.

97. Legislation and regulatory decisions play a major role in promoting or deterring the entrance of new actors to the transport sector, and in strengthening or weakening competitiveness in providing transport services, which positively or negatively affects service quality and sustainability.

98. Finally, crises and conflicts impede the stability required for the private sector to fulfil its role in building and operationalizing infrastructure and transport hubs, in addition to weakening Government capacity to establish and maintain various transport systems because of a shortage of financial resources.

IV. PROPOSED METHODOLOGY FOR THE DETAILED STUDY

99. The ESCWA secretariat prepared the present concept note on megatrends in the transport sector and their potential impact on the Arab region as an introduction for a detailed study on the topic under the proposed ESCWA project on formulating a strategic vision to develop a multimodal transport system in the Arab region.

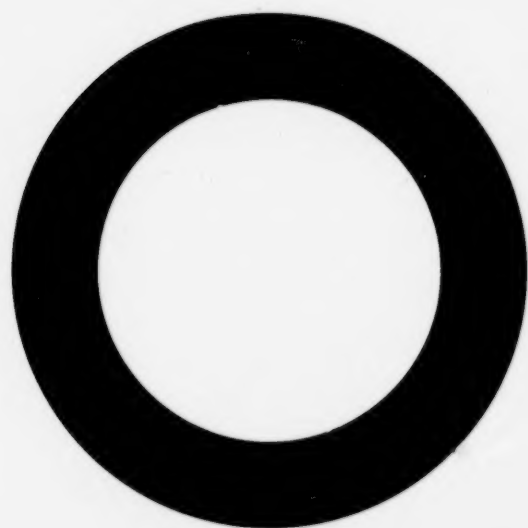
100. The detailed study will be prepared in the following three phases:

Phase one: carrying out a theoretical study, including completing desk work and broadening references on the topic to strengthen the hypotheses set out in the present concept note.

Phase two: checking the hypotheses through discussions at three expert group meetings on trends in air, sea and land transport, as follows:

- Air transport: hold an expert group meeting in Beirut, in collaboration with the Arab Air Carriers Organization, with special focus on securing the necessary financial support in partnership with relevant Arab airlines;
- Sea transport: hold an expert group meeting in Alexandria, Egypt, in collaboration with the Arab Academy for Science, Technology and Maritime Transport and Arab unions involved in sea transport in Alexandria;
- Land transport: hold an expert group meeting in Amman, in collaboration with the Arab Union of Land Transport.

Phase three: formulating scenarios on key drivers of change in transport and on resulting expected transformations at the global level over the period 2030-2050, for use as a doorway for comprehensively planning a multimodal transport system in the Arab region. Those scenarios are principal components of the ESCWA project on formulating a strategic vision to develop a multimodal transport system in the Arab region, complemented by a roadmap for developing infrastructure and reforming policies to ensure that multimodal transport plays a key role in enhancing Arab regional integration, so as to achieve inclusive and sustainable development in Arab countries.



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**Support for the Palestinian people:
impact of the Israeli occupation and practices****Summary**

The Economic and Social Commission for Western Asia (ESCWA) monitors and analyses the social and economic conditions in the occupied Palestinian territory, the impact of the Israeli practices and policies therein, and the violations of international law perpetrated in the context of the Israeli occupation, as mandated by its member States, particularly in resolution 316 (XXVIII) of 18 September 2014 and resolution 326 (XXIX) of 15 December 2016.

The present report, submitted to the thirtieth session of ESCWA pursuant to those resolutions, provides a snapshot of Israeli policies and practices and a number of their immediate and long-term cumulative repercussions on the Palestinian population living under occupation, particularly on their social and economic conditions. The report takes in focus the Israeli-imposed blockade on the Gaza Strip. It also sheds light on selected sectors of the Palestinian economy that hold potential for productivity and job creation but face obstacles in their growth due to the ongoing occupation.

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Introduction

1. The United Nations Economic and Social Commission for Western Asia (ESCWA) monitors and analyses the social and economic conditions in the occupied Palestinian territory, the impact of the Israeli practices and policies therein, and the violations of international law perpetrated in the context of the Israeli occupation, as mandated by its member States, particularly in resolution 316 (XXVIII) of 18 September 2014 and resolution 326 (XXIX) of 15 December 2016. The first requested the ESCWA secretariat to submit “periodic reports to the ministerial sessions of the Commission on the practices of the Israeli occupation that violate the economic and social rights of the Palestinian people and other rights guaranteed by international law, charters and conventions”. The second requested it to “continue to monitor and evaluate the repercussions of the Israeli occupation for the Palestinian people and their society, economy and infrastructure and for the economic and social development of current and future generations”. The present report is submitted to the thirtieth ESCWA session pursuant to those resolutions.
2. For decades, the Palestinian people have suffered from injustice, discriminatory Israeli policies and numerous Israeli violations of international law at the expense of their rights: millions of Palestinians live in the diaspora or in refugee camps across the region and are denied their right of return; Palestinians holding Israeli citizenship suffer societal and institutional discrimination;¹ and Palestinians in the occupied Palestinian territory suffer from the brunt of direct occupation and oppression.
3. Despite the occupation and against all odds, the Palestinian people and their institutions not only pursue their efforts to attain their inalienable rights, but also seek to implement the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). However, realizing the SDGs in the occupied Palestinian territory will be unlikely unless drastic measures are taken, especially as Israeli policies and practices continue to render the Palestinian economy dependent on Israel.
4. The conditions in Gaza exemplify this situation. Israeli measures, including the 11-year blockade, constitute the main cause for de-development there and for the worsening living conditions of the nearly 2 million Palestinian inhabitants.
5. This report provides a snapshot of Israeli policies and practices and their immediate and long-term cumulative impact on the Palestinian population living under occupation, particularly on their social and economic conditions. The report takes in focus the Israeli-imposed blockade on the Gaza Strip. It also sheds light on selected Palestinian sectors that hold potential for productivity and job creation but face obstacles in their development due to the ongoing occupation.

I. ISRAELI PRACTICES AND POLICIES

6. The United Nations Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967 stated that the “only credible explanation for Israel’s continuation of the occupation and its thickening of the settlement regime is to enshrine its sovereign claim over part or all of the Palestinian territory, a colonial ambition par excellence”.²
7. Along these lines, Israeli policies in the occupied Palestinian territory can be viewed as part of a three-fold strategy of land grab, displacement of Palestinians and oppression of any resistance thereto. These policies entail multiple and consistent violations of international law, including what may amount to war crimes³ and crimes against humanity.⁴

¹ United States of America, U.S. Department of State, *Country Report on Human Rights Practices for 2017: Israel, Golan Heights, West Bank, and Gaza*. Available at <https://www.state.gov/documents/organization/277489.pdf>.

² A/72/556, para. 50.

³ See E/ESCWA/2015/EC.1/5(Part I), paras. 6 and 12; and A/HRC/29/52, paras. 75-78.

⁴ See A/HRC/12/48.

A. LAND GRAB

8. Israeli practices and measures since the 1990s have aimed at creating new facts on the ground, including consolidating and formalizing control of land, thereby preempting negotiations with the Palestinians through formal and de facto annexation of land. Many of the measures through which Israel undertakes this annexation are illegal under international law.

1. *Formal annexation*

9. The prohibition of using force against the territorial integrity or political independence of any State⁵ is a principle of the Charter of the United Nations and a pillar of international law, as is the principle of the inadmissibility of the acquisition of territory by war. Israel's violations of these principles include the following:

(a) Israel militarily occupied East Jerusalem in 1967 and officially annexed the city and 70 square kilometres (km²) of land around it in 1980. The Security Council and other United Nations bodies have condemned Israel's actions in that regard and have considered them null and void;⁶

(b) Israeli settlements in the West Bank are illegal under international humanitarian law. Israel's settlement policy has been repeatedly condemned by the Security Council.⁷ Consecutive Israeli Governments have not only established and expanded settlements but also encourage Israelis to live in them, which yields a population growth rate more than double that of Israel. Areas surrounding the settlements are usually declared off limits to Palestinians on the account of 'security reasons' and are eventually annexed to the settlements.⁸ At least 20 bills have been presented to the Knesset since March 2015 that seek annexation of areas in the West Bank, especially those on which settlements are established, and extension of Israeli sovereignty over them.⁹ By the end of 2016, according to the Palestinian Central Bureau of Statistics (PCBS), 636,452 settlers were living in 257 settlements, including 302,188 settlers in the Jerusalem Governorate.¹⁰ In 2017, B'Tselem estimated that settlements covered 538.1 km² of West Bank land.¹¹

2. *Land confiscation and seizure*

10. PCBS estimates that Israel has confiscated or seized 40 per cent of the land of the West Bank (including East Jerusalem).¹² Since 1967, Israel has utilized a number of measures in its bid to grab as much Palestinian land as possible in the areas it occupies, particularly in the West Bank. These measures include the following:

⁵ Charter of the United Nations, Chapter I, Article 2 (4); and General Assembly resolution 2625 (XXV) of 24 October 1970 on the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations.

⁶ See, for example, S/RES/478 (1980).

⁷ See, for example, S/RES/465 (1980) and S/RES/2334 (2016).

⁸ Yesh Din, "Through the lens of Israel's interests: the civil administration in the West Bank", pp. 16-18; and A/71/86-E/2016/13, para. 5.

⁹ A/72/564, para. 16.

¹⁰ Palestinian Central Bureau of Statistics (PCBS), "Press release by the Palestinian Central Bureau of Statistics (PCBS) on the eve of the forty-second annual commemoration of Land Day, March 30, 2018", 29 March 2018. Available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_29-3-2018-land-en.pdf.

¹¹ B'Tselem, "Settlements", 11 November 2017. Available at <https://www.btsalem.org/settlements>.

¹² PCBS, "Press release on the eve of the 41st anniversary of Land Day March 30th, 2017", 29 March 2017. Available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_29-3-2017-LD-en.pdf.

(a) Declaration of 'State land': measure by which Israel claims ownership of Palestinian land based mainly on the antiquated Ottoman Land Code of 1858. According to the Code, one must cultivate a piece of land for at least 10 consecutive years to be allowed to register it as their own, otherwise it is considered 'State land'.¹³ In 2017, B'Tselem reported that 1,400 km², or one quarter of the West Bank, had been declared 'State land' by Israel;¹⁴

(b) Seizure for military purposes: first measure deployed by Israel to confiscate land. Such seizures are supposed to be temporary and linked to military needs.¹⁵ However, rarely has seized land been returned to its Palestinian owners; seizure orders are instead regularly renewed, which is generally followed by some form of confiscation. After a lull from 1979 to 2003, Israel resumed this practice mostly to create buffer zones around settlements and to build the wall in the West Bank. More than 31 km² of Palestinian land has been seized for military purposes since 1967;¹⁶

(c) Seizure of 'absentee property': measure by which registered lands in the West Bank whose owners fled in 1967 have been seized. Military orders grant the Israeli State the authority to manage these lands until the owner returns, which is a rare occurrence, especially that Israel prevents the return of refugees and has stopped family reunification. Absentee property that has not been cultivated for three years is declared 'State land'.¹⁷ The area estimated to have been seized by the State for absenteeism is about 430 km².¹⁸

(d) Confiscation for public needs: measure by which Israeli authorities cite the public good as a justification for land grab, including for roads and other infrastructure projects. While international law stipulates that such measures can only be made to the benefit of the protected population, Israel tends to do the opposite. Confiscation of land in the West Bank tends to be geared to the benefit of Israelis at the expense of Palestinians, and serves for the establishment of settlements, Israeli-only roads and Israeli-run quarries.¹⁹ For example, Israeli authorities confiscated 10 km² of Palestinian owned land under this pretext to build the Ma'ale Adumim settlement in the 1980s;²⁰

(e) Initial registration: measure by which Israel registers land that is previously unregistered in bodies recognized by Israel as publicly owned. Palestinian owners must prove ownership through a very long and tedious process. Data about this type of confiscation are not readily available;²¹

(f) Closed military areas: measure by which the Israeli authorities designate areas under their occupation as closed military areas under various pretexts. In many cases, it is a prelude to seizure or confiscation, or intended to drive Palestinians out of the designated area. Over one half of Area C lands,

¹³ Peace Now, "Methods of confiscation – How does Israel justify and legalize confiscation of lands?" 1 January 2009. Available at <http://peacenow.org.il/en/methods-of-confiscation-how-does-israel-justify-and-legalize-confiscation-of-lands>.

¹⁴ B'Tselem, "Settlements".

¹⁵ Kerem Navot, *Israeli Settlers' Agriculture as a Means of Land Takeover in the West Bank* (Jerusalem, 2013), p. 28. Also see Peace Now, *Breaking the Law in the West Bank – One Violation Leads to Another: Israeli Settlement Building on Private Palestinian Property* (Jerusalem and Tel Aviv), p. 9, available at http://peacenow.org.il/wp-content/uploads/2009/01/Breaking_The_Law_in_WB_nov06Eng.pdf.

¹⁶ B'Tselem, "Settlements".

¹⁷ Human Rights Watch, *Separate and Unequal: Israel's Discriminatory Treatment of Palestinians in the Occupied Palestinian Territories* (New York, 2010).

¹⁸ Peace Now, "Methods of confiscation – How does Israel justify and legalize confiscation of lands?", 1 January 2009. Available at <http://peacenow.org.il/en/methods-of-confiscation-how-does-israel-justify-and-legalize-confiscation-of-lands>.

¹⁹ A/71/86, paras. 41-44; A/70/82, para. 44; A/67/91, para. 19.

²⁰ A/36/579, para. 118.

²¹ Peace Now, "What is a declaration of state land?", 8 September 2014. Available at <http://peacenow.org.il/en/what-is-a-declaration-of-state-land>.

amounting to one third of the entire West Bank, are designated as closed military areas. Israeli settlers are allowed to cultivate over 14,000 dunams of land within closed military areas even though, legally, both Israeli citizens and Palestinians are prohibited from entering them.²²

B. DISPLACEMENT

11. In tandem with land grab, Israeli policies seek to displace Palestinians from their lands and homes in areas of the West Bank, particularly Area C and East Jerusalem, mainly to consolidate of Israel's control over land, water resources and agricultural areas. Furthermore, the Israeli Municipality of Jerusalem openly pursues what it calls a 'demographic balance' policy by which it seeks to secure a Jewish-Israeli demographic majority in the city.²³

12. Israeli practices and policies create a coercive environment that prompts the displacement of Palestinians in what amounts to forcible displacement, prohibited under international humanitarian law. Such practices include unhindered harassment, threats and violence perpetrated by Israeli settlers, soldiers and security forces in the West Bank with almost no accountability. Several locales in Area C are deprived of access to basic health, education, and water, sanitation and hygiene (WASH) services, which drives Palestinians out.²⁴

13. The Israeli authorities also employ the direct displacement measures detailed in the below paragraphs.

1. Revocation of residency permits

14. Since 1967, Israel has retained control over the residency status of the Palestinian population of the occupied Palestinian territory. In June 2012, the Israeli military authorities disclosed that they had revoked the residency permits of about 250,000 Palestinians from the West Bank and the Gaza Strip up until the establishment of the Palestinian Authority in 1994.²⁵ The policy of revoking residency permits of Palestinians in East Jerusalem continues under various pretexts and rules. Up until May 2017, Israel had revoked the Jerusalem residency status of 14,595 Palestinians.²⁶

15. On 7 March 2018, the Knesset passed an amendment to the Entry into Israel Law that allows the Interior Minister to revoke the permanent residency in East Jerusalem of Palestinians who are suspected of "terrorist activities" as defined by Israel or have "committed acts that constitute breach of trust against the State of Israel".²⁷

2. Deportations

16. Israel regards Palestinians whose address in the population registry is originally listed as Gaza but live in the West Bank as 'illegal aliens' unlawfully present there. The number of Palestinians deported from the West Bank to Gaza saw an increase from 1-4 in the period 2011-2015, to 6 in 2016 then 27 in 2017. There are concerns that this policy continues to gain momentum.²⁸

²² Dror Etkes, *A Locked Garden: Declaration of Closed Areas in the West Bank* (Jerusalem, Kerem Navot, 2015), pp. 9-11.

²³ A/70/392, para. 68.

²⁴ E/ESCWA/2015/EC.2/4(Part VIII).

²⁵ Reported, inter alia, by Hamoked in "Ceased Residency", 12 June 2012. Available at <http://www.hamoked.org/Document.aspx?dID=Updates1175> (accessed on 15 May 2018).

²⁶ Association for Civil Rights in Israel (ACRI), "East Jerusalem: Facts and figures 2017", 21 May 2017. Available at <https://www.acri.org.il/en/wp-content/uploads/2017/05/Facts-and-Figures-2017-1.pdf>.

²⁷ Knesset, "Knesset passes legislation authorizing interior minister to revoke permanent residency status over involvement in terrorism", press release, 7 March 2018. Available at http://www.knesset.gov.il/spokesman/eng/PR_eng.asp?PRID=13803.

²⁸ Hamoked, "Military data reveals", 20 December 2017. Available at <http://www.hamoked.org/Document.aspx?dID=Updates1942>.

3. Home demolitions

17. The policy of demolitions of structures and homes belonging to Palestinians is one of the main displacement methods used by the Israeli authorities. The total number of demolished structures reached 5,413 since 2009, including 2,009 homes, which resulted in the displacement of 8,668 people including 4,525 children.²⁹ The year 2017 witnessed the second largest number of demolitions in East Jerusalem in the last 17 years. Home demolitions are carried out under the following guises:

(a) Demolitions for military purposes: Israeli officials cite military necessity as grounds for destruction deemed 'vital' for the safety of Israeli security forces and settlers. Justifying the demolition of homes in the Gaza Strip during the offensives of 2009 and 2014, Israeli officials claimed that tunnels for smuggling arms had been dug under these homes, or that Palestinians had fired at Israeli targets from these houses or fields.³⁰ There are no accurate data on the numbers of structures demolished for military purposes;

(b) Punitive demolitions: demolitions are carried out against the family homes of Palestinians suspected of attacking Israelis and amount to collective punishment³¹ prohibited under international law. Since 1967, there have been 1,526 home demolitions for punitive reasons in the occupied Palestinian territory;³²

(c) Demolitions for lack of building permits: this is the most commonly cited reason for the demolishment of Palestinian structures in East Jerusalem and Area C. Israeli zoning and planning policies discriminate against Palestinians and restrict the areas in which they are allowed to build to 13 per cent of East Jerusalem and 1 per cent of Area C. As a result, more than 94 per cent of Palestinian permit applications have been rejected in recent years by the Israeli authorities.³³ By the end of 2017, there were over 13,000 demolition orders pending against Palestinian property in Area C. At least one third of Palestinian households in East Jerusalem lacked building permits, which placed 100,000 residents at risk of demolition-induced displacement.³⁴

4. Evictions and forced relocations

18. Eviction from homes for the benefit of Israeli settlers is also a risk that Palestinians face, particularly in East Jerusalem and Hebron in the West Bank. One of the tactics used since 2004 by Israeli settler organizations has been to take over a Palestinian home through claim of Jewish ownership from before 1948.³⁵ Some 180 Palestinian families are at risk of eviction from their homes in East Jerusalem as a result of legal action by settlers.³⁶ Forced relocation, particularly of Bedouin and herder communities in Area C, is also a significant concern. Nearly 7,500 persons from 46 Bedouin communities, mostly refugees, face eviction and relocation.³⁷

²⁹ United Nations Office for the Coordination of Humanitarian Affairs (OCHA), "Demolition system", Online database. Available at <https://www.ochaopt.org/page/demolition-system> (accessed on 31 March 2018).

³⁰ B'Tselem, "Demolition for alleged military necessity", 11 November 2017. Available at <https://www.btselem.org/razing>.

³¹ A/HRC/34/36, and OCHA, "Humanitarian Coordinator calls for end to punitive demolitions in the occupied West Bank", 16 November 2015, available at <https://www.ochaopt.org/content/humanitarian-coordinator-calls-end-punitive-demolitions-occupied-west-bank>. Also see para. 26 of the present report.

³² Jeff Halper, *Obstacles to Peace: A Reframing of the Israeli-Palestinian Conflict* (Jerusalem, The Israeli Committee against House Demolitions, 2016). Available at <https://icahd.org/wp-content/uploads/sites/1/2017/07/Obstacles-to-Peace-May-2016.pdf>.

³³ United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), Demolition Watch. Available at <https://www.unrwa.org/demolition-watch> (accessed on 23 May 2018).

³⁴ OCHA, Humanitarian Bulletin: Occupied Palestinian Territory, December 2017, p. 9.

³⁵ A/HRC/37/43 para. 40, citing Seidemann, *The Israeli Settlement Enterprise in East Jerusalem, 1967-2017* (Jerusalem, 2017), p. 71.

³⁶ OCHA, 2018 Humanitarian Needs Overview: Occupied Palestinian Territory, pp. 9-10. Available at https://www.ochaopt.org/sites/default/files/hno_20_12_2017_final.pdf.

³⁷ A/HRC/37/43, para. 24. Also see A/72/564, para. 36.

C. OPPRESSION

19. The third pillar of Israel's strategy in the occupied Palestinian territory is the oppression of any form of resistance to displacement, fragmentation, dispossession or any other Israeli measures and controls. For this purpose, Israel resorts to a number practices and measures, many of which violate international humanitarian law and international human rights law.

1. *Excessive use of force with impunity*

20. The Israeli army and security forces resort to the use of excessive force, particularly during demonstrations, across the occupied Palestinian territory. This includes unlawful killings and what may amount to extrajudicial killings or summary executions, including in the context of attacks and alleged attacks by Palestinians.³⁸ At least 2,030 children were killed by the Israeli military or Israeli settlers between 2000 and March 2018.³⁹

21. In cases of excessive use of force by Israeli security in the West Bank, especially against unarmed demonstrators, accountability is generally lacking.⁴⁰ Concern about reports of deaths attributed to a delay in the provision of medical assistance to wounded Palestinian suspects was expressed by the Office of the United Nations High Commissioner for Human Rights. The intentional blocking of ambulances and first responders has also been reported.⁴¹

22. Three major Israeli military offenses on Gaza between 2008 and 2014 epitomize Israel's use of force against the Palestinians. The offensives entailed violations of international human rights and humanitarian law, including disproportionate use of force that resulted in the deaths of thousands of Palestinian civilians and the destruction of tens of thousands of homes and other civilian structures and infrastructure.⁴²

23. On 30 March 2018, Palestinians in Gaza started organizing periodic demonstrations named "Great march of return" at the border fence. Israeli forces used live ammunition against the demonstrators on several occasions. By 15 May, 104 Palestinians were killed, including 14 children. About 12,600 Palestinians were injured. 14 May 2018 was the deadliest day of the demonstrations, during which 60 Palestinians were killed and 2,770 injured.⁴³

³⁸ A/71/86-E/2016/13, para. 19. Also see Amnesty International, "Memorandum: Lethal force and accountability for unlawful killings by Israeli forces in Israel and the occupied Palestinian territories", 28 September 2016, available at <https://www.amnesty.org/download/Documents/MDE1548122016ENGLISH.pdf>; Amnesty International, *Amnesty International Report 2017/18: the State of the World's Human Rights* (London, 2018), p. 207; and United Nations Office of the High Commissioner for Human Rights (OHCHR), "Hebron killing: 'All the signs of an extrajudicial execution' – UN expert expresses outrage", 30 March 2016, available at <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=18544&LangID=E>.

³⁹ ESCWA calculations based on data from Defense for Children International, Distribution of Palestinian child fatalities by month, available at http://www.dci-palestine.org/child_fatalities_by_month (accessed on 10 May 2018) and OCHA, Monthly figures, available at <https://www.ochaopt.org/content/monthly-figures> (accessed on 10 May 2018).

⁴⁰ A/72/565 paras. 6-16, 51.

⁴¹ A/HRC/31/40, para. 16.

⁴² A/HRC/12/48, paras. 1877, 1921 and A/HRC/29/52, para. 40.

⁴³ OCHA, "Sharp decline in casualties during demonstrations, as Gaza mourns yesterday's massive loss of life and struggles to treat injuries", 15 May 2018, available at <https://www.ochaopt.org/content/sharp-decline-casualties-during-demonstrations-gaza-mourns-yesterday-s-massive-loss-life-and>; and OCHA, Monthly figures, available at <https://www.ochaopt.org/content/monthly-figures> (accessed on 16 May 2018).

2. Arbitrary detention and ill-treatment

24. From 1967 to 2016, Israel detained more than 800,000 Palestinians.⁴⁴ At the end of March 2018, 431 Palestinians, including 3 minors, were held under administrative detention,⁴⁵ which entails the detention of suspects without charge or trial or disclosing evidence to the need thereof, with no time limit for the incarceration period. Israel's excessive use of administrative detention is inconsistent with the exceptional nature of such detention permitted under international humanitarian law, and with article 9 of the International Covenant on Civil and Political Rights.⁴⁶ Israeli authorities also transfer the majority of Palestinian detainees, adults and children, into prison facilities inside Israel, although this is also prohibited under international humanitarian law and breaches the Fourth Geneva Convention.⁴⁷

25. Palestinian detainees, including children, have been reportedly subjected to torture and other ill-treatment, particularly during arrest and interrogation. B'Tselem and Hamoked concluded in 2015 that cruel, inhuman and degrading treatment of Palestinian detainees was inherent, institutionalized and implemented with full immunity.⁴⁸ In fact, no criminal investigations were opened into the more than 1,000 complaints of torture and ill-treatment filed since 2001.⁴⁹ The number of complaints of torture or ill-treatment involving the Israeli Security Agency has quadrupled since June 2013.⁵⁰

3. Collective punishment

26. Collective punishment includes the practices of "penalizing persons for acts that they did not commit and for which they are not individually criminally responsible"⁵¹ and is strictly prohibited under international law.⁵²

27. Israel's practices of collective punishment have significantly increased in recent years, including punitive home demolitions or the revocation of residency permits or work permits of family members of Palestinians suspected of attacking Israelis. Other forms of collective punishment are punitive measures that include the closure of entire communities and villages from which a suspected perpetrator of an attack came. Since 2015, Israel resumed the practice of withholding the bodies of Palestinians killed while attacking Israelis, which is also considered as collective punishment.⁵³

⁴⁴ Addameer, *Palestinian Political Prisoners in Israeli Prisons*, p. 4. Available at http://www.addameer.org/sites/default/files/briefings/general_briefing_paper_-_june_2016_1.pdf.

⁴⁵ B'Tselem, *Statistics on administrative detention*, updated 23 May 2018. Available at https://www.btselem.org/administrative_detention/statistics.

⁴⁶ A/72/565, paras. 37-39.

⁴⁷ A/70/392, para. 73; A/HRC/31/40, para. 43.

⁴⁸ B'Tselem and Hamoked, *Backed by the System: Abuse and Torture at the Shikma Interrogation Facility* (December 2015).

⁴⁹ Amnesty International, *Amnesty International Report 2017/18*, p. 209.

⁵⁰ OHCHR, "Submission for the Universal Period Review of Israel", June 2017, p. 3, available at https://www.upr-info.org/sites/default/files/document/israel/session_29_-_january_2018/ohchr_-_opt_upr29_isr_e_main_rev.pdf; and A/HRC/34/38, para. 50.

⁵¹ OHCHR, "Submission for the Universal Period Review of Israel", p. 2.

⁵² International Committee of the Red Cross (ICRC), "Rule 103. Collective Punishments". Available at https://ihl-databases.icrc.org/customary-ihl/eng/docs/v1_rul_rule103.

⁵³ OHCHR, "Submission for the Universal Period Review of Israel", p. 2.

II. IN FOCUS: THE GAZA BLOCKADE

28. Imposed on Gaza since June 2007, the blockade is the most severe manifestation of Israel's long-standing policies on the movement of people and goods. It is also illegal and a form of collective punishment.⁵⁴ Israel, the occupying Power in Gaza, controls land, sea and air access (except the Rafah crossing). It has prevented development in Gaza and even led to its de-development, in addition to obstructing reconstruction efforts after recurrent military offensives.

29. The blockade consists of a comprehensive package of measures that includes sealing off the Strip by land, air and sea, and enforcing access-restricted areas within it ('buffer zones'). The transit of people and goods into and out of Gaza is hindered, albeit with some exceptions. After its December 2008 military offensive, Israel eased some of the restrictions due to pressure from the international community.

30. The effects of the blockade and of the recurrent military offensives on the lives of Gazans have been devastating. They include death, injury, destruction of basic infrastructure, hospitals, schools, water treatment facilities and tens of thousands of homes.⁵⁵ The long-term impact on the mental health and well-being of the survivors of offensives is tremendous.⁵⁶ The United Nations Country Team in Palestine announced in 2017 that, despite its efforts, Gaza will be unliveable in 2020 if the blockade is not lifted.⁵⁷

A. RESTRICTING THE MOVEMENT OF PEOPLE

31. Under the blockade, the Gaza Strip has become the world's biggest open air prison. Palestinians generally cannot travel into and out of Gaza. Applications for exit permits issued by the Israeli authorities must comply with set criteria that were not made public until 2015 and are frequently changed. They are reviewed "according to the necessary individual security checks required by security forces and the Israeli police, as well as the security, political and strategic interests of the State of Israel".⁵⁸ This wide margin of interpretation allows Israel to reject permits at will. Many applications often go unanswered or are rejected for 'security reasons' with no further explanation. Gisha, an Israeli non-governmental organization (NGO), reported that as of September 2017 over 16,000 requests were pending.⁵⁹

32. Three categories of persons may apply for permits:

(a) Patients who require "life-saving or life changing medical treatment, provided the requested treatment is unavailable in the Gaza Strip":⁶⁰ applicants should prove the need for such treatment; appointments and payments arranged in advance are among other required conditions. The approval rate for medical patients allowed through the Beit Hanoun (Erez) crossing has been declining, and in 2017 reached its lowest level, at 54 per cent, since 2008 (60 per cent), compared with 93 per cent in 2012, despite the dramatic increase in the need for external medical treatment following the 2014 military offensive. Delays in receiving permits for

⁵⁴ Ibid., p. 5.

⁵⁵ E/ESCWA/2015/EC.1/5(Part I).

⁵⁶ E/ESCWA/ECRI/2015/WP.5.

⁵⁷ United Nations Country Team in the occupied Palestinian territory, *Gaza: Ten Years Later* (July 2017).

⁵⁸ Unofficial translation by Gisha of a document by the Coordination of Government Activities in the Territories (COGAT), Operations and Coordination Department, on the Unclassified status of Palestinians: authorizations of entry into Israel, their passage between Judea and Samaria and the Gaza Strip and their travel abroad, updated as of 18 September 2017. Available at <http://www.gisha.org/UserFiles/File/LegalDocuments/procedures/general/50en.pdf> (accessed on 30 May 2018).

⁵⁹ Gisha, "Gaza in numbers", fact sheet, n.d. Available at http://gisha.org/UserFiles/File/publications/Inside_look_at_gaza/Gaza_in_no.en.pdf.

⁶⁰ Unofficial translation by Gisha of the document by COGAT on the Unclassified status of Palestinians: authorizations of entry into Israel, their passage between Judea and Samaria and the Gaza Strip and their travel abroad.

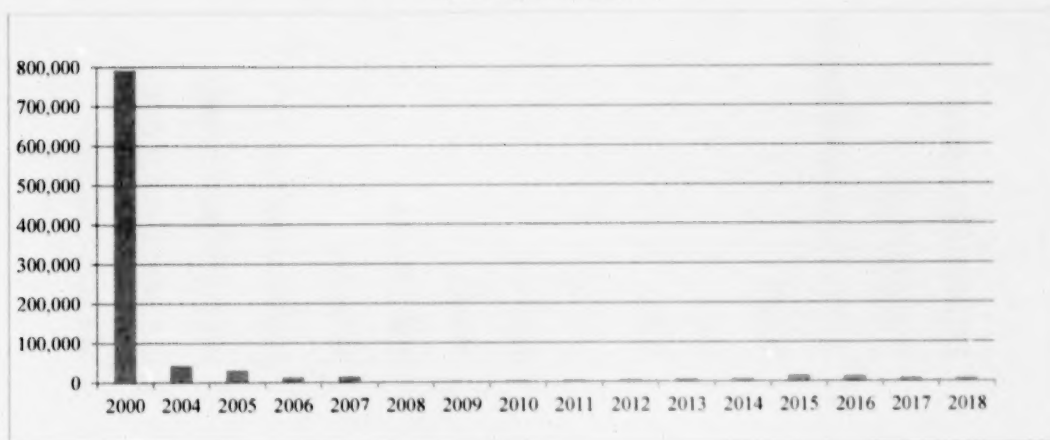
medical treatment have been well documented, as has been the significant loss of life among patients. In 2017, 54 Palestinians patients died while awaiting security approval for referrals out of Gaza;⁶¹

(b) “Traders and businessmen” whose movement “may contribute to improving the Gazan economy”⁶² through trade in goods approved by Israeli authorities: the number of permits issued for traders has also declined from 3,500-3,700 in late 2015 to 551 in 2017;⁶³

(c) Humanitarian and medical workers, including United Nations staff: the number of approved permit applications to leave Gaza for United Nations national staff increased by 19.7 per cent between the second half of 2016 and the first half of 2017. However, the time necessary for processing such permits increased from 26 to 55 working days, impeding humanitarian operations.⁶⁴ Only 61 per cent of Palestinian medical staff applying for permits through the World Health Organisation (WHO) obtained access in 2017, even though health workers are technically exempted from the general travel ban on Palestinians in Gaza.⁶⁵

33. Figure 1 illustrates the dramatic fall in the average number of exits of persons through the Beit Hanoun (Erez) crossing over the period 2000-2018. There are instances when Palestinians who were granted permits to cross Beit Hanoun (Erez) to leave Gaza for medical treatment were reportedly blocked at the crossing and asked to provide information about relatives and armed groups in Gaza. Those who did not cooperate reportedly had their access blocked.⁶⁶

Figure 1. Exit of persons through the Beit Hanoun (Erez) crossing
(Monthly average)



Source: Based on data from the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Humanitarian Bulletin: Occupied Palestinian Territory, December 2017 and “Gaza crossings: movement of people and goods”, available at <https://www.ochaopt.org/page/gaza-crossings-movement-people-and-goods> (accessed on 30 May 2018).

⁶¹ World Health Organization (WHO) Occupied Palestinian territory, Monthly report: December 2017. Available at http://www.emro.who.int/images/stories/palestine/documents/WHO_monthly_Gaza_access_report_Dec_2017-final.pdf?ua=1.

⁶² Unofficial translation by Gisha of the COGAT document on the Unclassified status of Palestinians, <http://www.gisha.org/UserFiles/File/LegalDocuments/procedures/general/50en.pdf> (see footnote 58).

⁶³ Gisha, http://www.gisha.org/UserFiles/File/2017Tightening_of_the_closure.pdf.

⁶⁴ OCHA, 2018 Humanitarian Needs Overview, p. 6.

⁶⁵ WHO Occupied Palestinian territory, Monthly report: December 2017, p. 2.

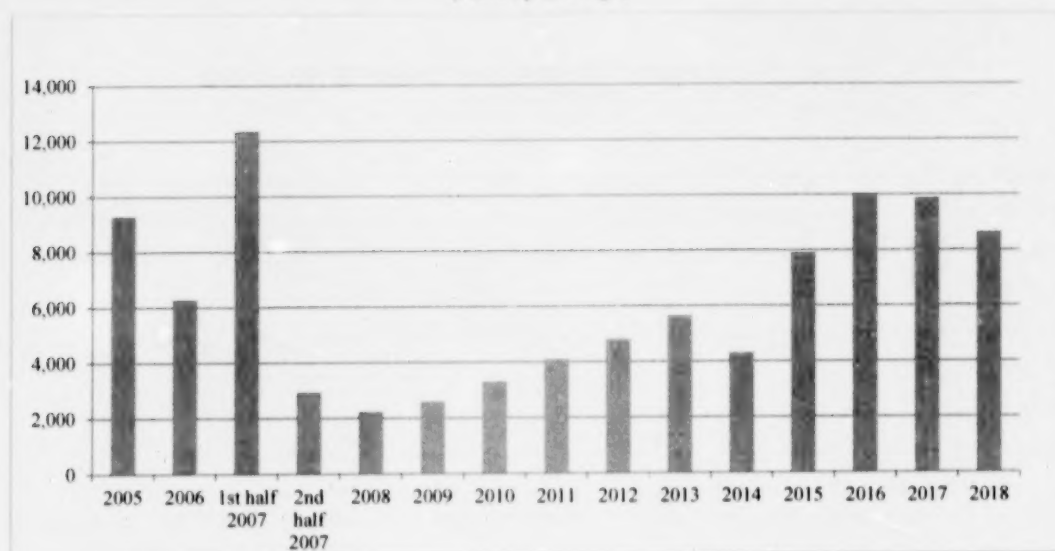
⁶⁶ A/72/565, para. 32.

B. RESTRICTING THE MOVEMENT OF GOODS

34. As part of the blockade, the Israeli authorities have intensified restrictions on the flow of goods through Gaza's land crossings. One after the other, there were completely shut down, including Al-Mentar (Karni), which was the largest and best equipped commercial crossing serving the Strip. Karm Abu Salem (Kerem Shalom) is the only crossing currently open to the transport of goods. It has a lower operational capacity and its location is less convenient compared with other crossings. Figure 2 illustrates the fluctuation in the number of truckloads entering Gaza in the period 2005-2018.

35. Between 2007 and 2010, food imports into Gaza were restricted to what the Israeli authorities labelled a "humanitarian minimum", set through the calculation of the number of calories consumed by Gazans to determine the extent to which it was possible to reduce food supply without causing hunger or malnutrition. In May 2010, Israeli authorities also placed a prohibition on certain food items with no clear justification.⁶⁷ The 'flotilla incident' and international pressure prompted Israel to change this policy in June 2010: it lifted restrictions on the entry of goods, except for building materials and goods defined as having a 'dual use'.⁶⁸

Figure 2. Entry of truckloads into Gaza
(Monthly average)



Source: Based on data from OCHA, "The Gaza Strip: The humanitarian impact of the blockade", fact sheet, November 2016, and "Gaza crossings: movement of people and goods", available at <https://www.ochaopt.org/page/gaza-crossings-movement-people-and-goods> (accessed on 30 May 2018).

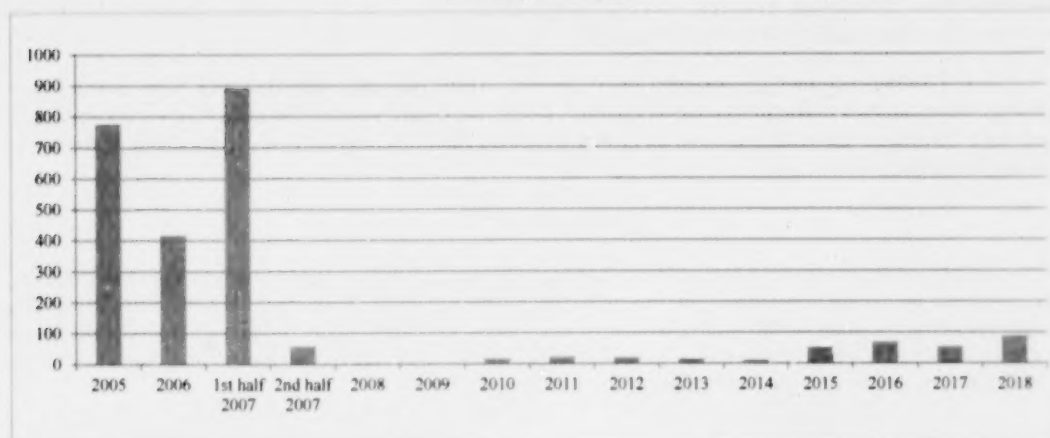
36. Although the volume of imports to Gaza gradually increased over the years, it remains well below pre-blockade levels. Taking into consideration the increase in demand due to the increase in population size from 1.4 million in 2007 to almost 2 million in 2018, the parallel increase in consumption levels and the large volume of materials needed for reconstruction and rehabilitation following the recurrent military offensives, the levels of imports remain, at best, insufficient.

⁶⁷ Gisha, "Partial list of items prohibited/permitted into the Gaza Strip", May 2010. Available at <https://gisha.org/UserFiles/File/HiddenMessages/ItemsGazaStrip060510.pdf> (accessed on 30 May 2018).

⁶⁸ See paras. 38 and 39 of the present report. Also see Gisha, "Reader: Food Consumption in the Gaza Strip - Red Lines", October 2012, p. 4. Available at <http://www.gisha.org/UserFiles/File/publications/redlines/redlines-position-paper-eng.pdf>.

37. The severe restrictions on exports from Gaza remains in place albeit some easing as of 2014. The few sectors holding economic and employment potential in Gaza are limited by export prospects, with export also hindered by restrictions on the movement of people and goods. Figure 3 shows the dramatic decline of exit of goods from Gaza by truck over the period 2005-2008.

Figure 3. Exit of truckloads from Gaza
(Monthly average)



Source: Based on data from OCHA, *The Gaza Strip: The humanitarian impact of the blockade*, and "Gaza crossings: movement of people and goods" (see figure 2).

C. DUAL-USE ITEMS

38. In 2008, the Israeli authorities compiled a list of dual-use items, or items that are intended for civilian use but may be used for 'military' purposes, such as the construction of tunnels. The list had two sections: the first included 64 items banned from all the occupied Palestinian territory and the second 90 items banned from Gaza specifically.⁶⁹ Another 48 items were added to the latter list in March 2015.⁷⁰ Traders have reported that the Israeli authorities may deem nearly any item as dual use, even if it was previously allowed in with no special controls.⁷¹

39. The ban of dual-use items has affected almost every sector in the Gaza Strip, from construction and housing to water and sanitation, medical services and education. It has contributed to further deepen the economic and humanitarian crises affecting Gaza. Below are some illustrations:

(a) In 2017, the United Nations Country Team in the occupied Palestinian territory declared that the Gaza Reconstruction Mechanism was "less successful in enabling import of 'dual-use' items other than re-bar and cement (non-BC)".⁷² In July of that year, water pumps, elevators, wood, steel, cables and other electrical

⁶⁹ COGAT, "List of 'dual use' items requiring a transfer license", n.d. Available at <http://www.cogat.mod.gov.il/en/services/Documents/List%20of%20Dual%20Use%20Items%20Requiring%20a%20Transfer%20License.pdf> (accessed on 15 May 2018).

⁷⁰ Gisha, "Dark-gray lists", n.d. Available at http://gisha.org/UserFiles/File/publications/Dark_Gray_Lists/Dark_Gray_Lists-en.pdf (accessed on 15 May 2018).

⁷¹ World Bank, Economic monitoring report to the Ad Hoc Liaison Committee, 18 September 2017, p. 23.

⁷² United Nations Country Team in the occupied Palestinian territory, *Gaza: Ten Years Later*, p. 11. The Gaza Reconstruction Mechanism was established in the aftermath of the 2014 Israeli offensive on the Gaza as a coordination mechanism to facilitate the entry of material needed for reconstruction and development projects undertaken mainly by United Nations entities.

equipment requested through the Mechanism were still awaiting a decision by the Israeli Government, with many requests pending for more than six months. These delays impact large-scale development projects, especially in the critical energy, water and health sectors;

(b) The size of wood planks allowed in is limited to less than 1 cm for thickness and 5 cm for width. This, along with the ban on other materials such as lacquers and glues, has led the furniture sector to a near collapse. Prices of items such as wooden doors have thus soared as stocks ran out. Manufacturers are finding themselves out of business. Yet, in a somewhat contradictory stance, in 2015, the Israeli authorities decided that furniture from Gaza could be sold in Israel;⁷³

(c) Drilling equipment, construction materials, water pumping supplies and high-concentration chlorine compounds are also on the list of dual-use items. Their ban impedes the maintenance, rehabilitation and development of the water network and water treatment facilities, including those damaged or destroyed during the military offensives.⁷⁴

D. ACCESS-RESTRICTED AREAS

40. As part of the blockade, Israel enforces buffer zones on land and sea, known as access-restricted areas. According to the Israeli army, there are “no go” areas for people up to 100 meters from the fence separating Gaza from Israel, and up to 200 meters for heavy machinery. In reality, up to 300 metres from the perimeter fence are reported by most farmers as a “no-go” area practically, and up to 1,000 metres as a “high risk” area, since Israeli troops enforce the buffer zone using live ammunition.⁷⁵

41. By sea, the access-restricted area is generally 6 nautical miles (Nm).⁷⁶ It is reduced at certain periods to 3 Nm and expanded to 9 during the sardine season. It remains well below Israel’s obligation under the Oslo Accords to permit fishing up to 20 Nm off the Gaza coastline.⁷⁷

42. Israel often enforces maritime access restrictions using live ammunition and confiscation, leading to casualties and damage or loss of boats.

III. SOCIOECONOMIC IMPACT OF THE ISRAELI OCCUPATION ON THE PALESTINIAN PEOPLE

43. The Israeli practices and measures described in the sections above have had a detrimental effect on the Palestinian people, and on their social and economic conditions. The fact that in 2018, 2.5 million Palestinians, or half the population, are in need of humanitarian assistance⁷⁸ illustrates their dire situation. This includes 80 per cent of Gazans who have become dependent on aid, including food assistance.⁷⁹

44. Prolonged occupation and related policies and practices have had a cumulative, multilayered impact with profound negative intergenerational effects on the Palestinians, and on their society, economy and environment.

⁷³ Gisha, “Dark-gray lists”, p. 3.

⁷⁴ Ambrogio Manenti and others, Report of a field assessment of health conditions in the occupied Palestinian territory (WHO, February 2016), p. 23. Available at http://apps.who.int/gb/Statements/Report_Palestinian_territory/Report_Palestinian_territory-co.pdf.

⁷⁵ OCHA, 2018 Humanitarian Needs Overview, p. 5.

⁷⁶ Ibid., pp. 5 and 35.

⁷⁷ OCHA, Humanitarian Bulletin: Occupied Palestinian Territory, March 2018.

⁷⁸ OCHA, 2018 Humanitarian Needs Overview, p. 17.

⁷⁹ OCHA, 2018 Humanitarian Needs Overview, p. 8.

45. The State of Palestine remains at a low-equilibrium latent level of industrialization. Worsening social and economic indicators further deteriorate the state of physical and human capital, restrict market access, erode investor confidence and hasten de-industrialization. This exerts pressure on the agricultural, mining and tourism sectors, for example, which, even under ideal circumstances, need well-tailored policies and enabling conditions for success. The tourism sector in the occupied Palestinian territory has been unable to reach its potential due to the occupation and its practices.

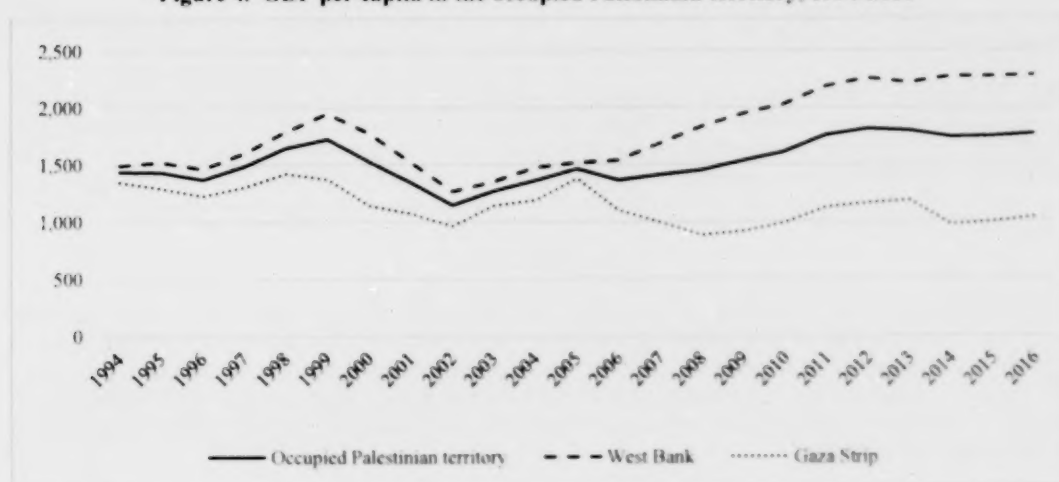
46. Although assessing the cumulative and long-term effects of the occupation requires a multidisciplinary research effort, a snapshot of the current socioeconomic conditions and the situation of selected economic sectors provides a glimpse about the immediate impact of the Israeli occupation and its practices.

A. SNAPSHOT OF SOCIOECONOMIC CONDITIONS IN THE OCCUPIED PALESTINIAN TERRITORY

1. Macroeconomic status

47. Real gross domestic product (GDP) growth in the occupied Palestinian territory dropped from 4.1 per cent in 2016 to 3.1 per cent in 2017.⁸⁰ The International Monetary Fund (IMF) projects that growth will decelerate to 3 per cent in 2018 (2.7 per cent for the West Bank and 4 per cent for Gaza).⁸¹ Figure 4 highlights the fluctuations of GDP per capita in the occupied Palestinian territory since 1994 and the divergent paths of the West Bank and Gaza, with 2004 as base year. Growth witnessed in Gaza following 2014 represents a reconstruction boom and an attempt to catch up with pre-offensive conditions, rather than expansion in new economic sectors. The GDP per capita of Gaza as of 2016 remained below its 1994 levels, which illustrates the impact of Israeli measures, including the blockade. GDP per capita in West Bank only matched its 1999 levels in 2010.

Figure 4. GDP per capita in the occupied Palestinian territory, 1994-2016



Source: Based on data from PCBS. Available at http://www.pcbs.gov.ps/Portals/Rainbow/Documents/E_QNA_Constant.htm (accessed on 15 May 2018).

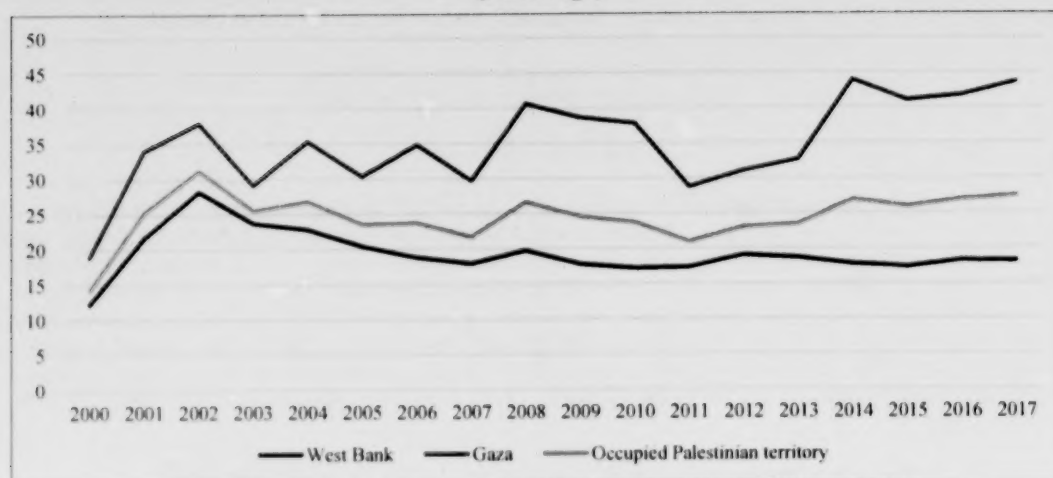
Notes: Data exclude East Jerusalem. GDP per capita is calculated at constant 2004 prices.

⁸⁰ Most recent data available from PCBS.

⁸¹ International Monetary Fund (IMF), "West Bank and Gaza: Report to the Ad Hoc Liaison Committee", 31 August 2017.

48. Figure 5 shows that unemployment remains detrimentally high, and particularly high and volatile in Gaza. In 2017, unemployment in the occupied Palestinian territory was 27.7 per cent, 22.5 per cent for men and 47.8 per cent for women. In the fourth quarter of 2017, it stood at 40.7 per cent for young adults (20-24 years).⁸² Constraints facing the creation of new jobs and the expansion of business are compounded by the blockade and general conditions imposed by Israel. The lack of opportunities and poor outlook compound the humanitarian situation in Gaza.

Figure 5. Unemployment rate
(Percentage)



Source: Based on data from PCBS. Available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/unemployment-2015-01e.htm (accessed on 25 April 2018).

49. Deteriorating macroeconomic conditions are worsened by restrictions on the movement of workers and goods and low levels of investment, which result in an erosion of the productive base. Cuts in expenditure, low investment and a pending decline in international assistance exert further negative pressures. The occupied Palestinian territory faces an anticipated budget deficit of 8.4 per cent of GDP as of 2017.⁸³ The poverty rate has risen from 26 per cent in 2011 to 29 per cent in 2017, with an alarmingly high 54 per cent in Gaza.⁸⁴

2. Food security

50. More than one fifth of Palestinian households were found to be food insecure in 2017, while two fifths were so in Gaza. The number of people receiving food aid from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has increased from about 80,000 in 2000 to over 993,000 in 2017,⁸⁵ which underscores the potential devastating impact of falling financial support to UNRWA. Food security is worsened by limited access to agricultural lands, low supply and quality of water, intermittent energy supply and poor diets.

⁸² PCBS, "Results of the Labour Force Survey Fourth Quarter (October-December, 2017) Round", press release, n.d. Available at <http://www.pcbs.gov.ps/site/512/default.aspx?lang=en&ItemID=3050> (accessed on 15 May 2018).

⁸³ IMF, "West Bank and Gaza: Report to the Ad Hoc Liaison Committee", 10 April 2017.

⁸⁴ Preliminary data provided by PCBS.

⁸⁵ Information provided by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

3. Health

51. The socioeconomic situation and the lack of protection, coupled with the limited provision of quality health care, have had a severe impact on the health of Palestinians. Medical facilities across the occupied Palestinian territory face supply shortages, with an average of 23 per cent of essential medicines and 19 per cent of essential medical supplies reportedly out of stock in health facilities in 2017. Gaza's Central Drug Store reported a monthly average of 32 per cent of essential drugs and 24 per cent of essential medical disposables as completely depleted over the last four months of 2017.⁸⁶ Over 260,000 Palestinians living in Area C and Hebron are dependent on humanitarian health care. Overcrowding in Gaza and in refugee camps, as well as inadequate sewage and water systems, have led to severe health risks. Gazans also face the mental health effects of military offensives. As for East Jerusalem, the refusal of Israeli ambulances to cross the wall results in a lack of essential health and emergency care for thousands of Palestinian Jerusalemites living beyond the wall.⁸⁷

4. Water, sanitation and hygiene

52. Roughly 1.8 million Palestinians are in need of humanitarian WASH assistance.⁸⁸ Only 10.4 per cent of Gazans have access to improved drinking water sources,⁸⁹ and 22 per cent of West Bank residents suffer from lack of access to, or poor quality of, water.⁹⁰ Only 59 per cent of Palestinian residents in East Jerusalem are legally connected to the water grid.⁹¹ The water allotted to Palestinians hovers around 75 per cent of the amount that was agreed in the Interim Agreement on the West Bank and the Gaza Strip (Oslo II Agreement) of 1995, which provides for unlimited supply to Israel. In Area C, around 95,000 people receive less than 50 litres of water per capita per day.⁹² The blockade of Gaza and other limitations and restrictions across the occupied Palestinian territory prevent the improvement of water infrastructure.

5. Education

53. An estimated 490,145 children across the occupied Palestinian territory face challenges in accessing quality education in a safe, child-friendly environment.⁹³ Violence, harassment and intimidation by Israeli security forces and settlers limit their access to regular educational opportunities. Schools, particularly in East Jerusalem, have poor infrastructure and are prevented from improving it or relocating due to a restrictive zoning and planning regime. Additionally, Palestinian children attending schools in East Jerusalem have no other option than to study a version of the Palestinian curriculum that has been modified by Israel.⁹⁴ Limited educational opportunities will contribute to the growing proportion of unemployed youth.

⁸⁶ Seventy-first World Health Assembly, Health conditions in the occupied Palestinian territory, including east Jerusalem, and in the occupied Syrian Golan, 18 May 2018 (A71/27).

⁸⁷ A/HRC/37/43.

⁸⁸ OCHA, *2018 Humanitarian Needs Overview*, p. 27.

⁸⁹ ESCWA calculations based on data from the 2014 Multiple Indicator Cluster Survey (MICS).

⁹⁰ OCHA, *2018 Humanitarian Needs Overview*, p. 27.

⁹¹ ACRI, "East Jerusalem: Facts and figures 2017", pp. 4-5.

⁹² OCHA, *2018 Humanitarian Needs Overview*, p. 29.

⁹³ *Ibid.*, p. 38.

⁹⁴ *Ibid.*, p. 11.

B. SELECTED ECONOMIC SECTORS WITH POTENTIAL AND THE CONSTRAINTS THEY FACE

54. Israeli policies and practices in the occupied Palestinian territory negatively affect sectors with significant potential for income generation and job creation. The widely shared challenge of raising wages and creating opportunities in sustainable industries is exacerbated in the occupied Palestinian territory by specific adversities. Progress towards the SDGs, particularly SDG 8 on decent work and economic growth and SDG 9 on resilient infrastructure, inclusive and sustainable industrialization and innovation, will require concerted efforts and the alleviation of constraints on areas of economic potential.

55. In 2016, about 98,776 persons were employed in industrial activities. The two largest subactivities of employment were manufacture of food products and the manufacture of non-metallic mineral products. These were also the two largest subactivities by output, accounting for roughly 20 per cent and 22 per cent of the \$4.1 billion of industrial output, respectively.⁹⁵

56. Thus, there appears to be more potential for economic growth in the processing of minerals, crops and other resources than in the production of raw materials in mining, quarrying and agriculture. Tourism is also a sector that holds significant potential for income, job creation and foreign exchange earnings. This assessment fits with the orientation set in the National Policy Agenda 2017-2022, which focuses on manufacturing, agriculture, tourism and restoring Gaza's industrial base. Selected sectors, namely mineral-based industry, agriculture and tourism, will be examined in more detail in the following sections in terms of the potential they hold and hindrances that constrain them.

1. *Restrained progress in mineral-based industry*

57. The main mineral activities in the occupied Palestinian territory are related to gravel and stone quarrying, and minerals and salts from the Dead Sea.⁹⁶ As is clear from experiences of countries such as Australia, Chile and South Africa, income and employment multipliers in the mining sector and resilience to price shocks are to be found in downstream processing and upstream inputs, but not in raw material extraction.⁹⁷ This is also the case in the occupied Palestinian territory.

58. The challenge for policymakers will thus be to spur value addition in mineral-based manufacturing. One area with potential added value outlined by the World Bank is stone crushing to produce gravel for concrete asphalt and other inputs to the construction industry. This would however require re-investment and upkeep, which are prevented by Israeli restrictions. Lack of permits, poor access to geo-data, lack of availability of credit and other constraints linked to the occupation hinder the development of this subsector.⁹⁸

59. Israeli firms do not face the limitations placed on their Palestinian counterparts. They continue acquiring permits to quarry and extract in the occupied Palestinian territory, in what may amount to a violation of international law. Ten Israeli-owned quarries are active in the West Bank, all established after 1967. The areas in which these quarries are located are, for the most part, Israeli-declared 'State land'. Over 20 per cent of

⁹⁵ Data from PCBS. Available at http://www.pCBS.gov.ps/Portals/_Rainbow/Documents/Selec_Indic_2016.htm (accessed on 30 May 2018).

⁹⁶ Roubina Ghattas and others, *Opportunities and Challenges of Palestinian Development Actions in Area C* (Jerusalem, ARIJ, 2017). Available at https://www.arij.org/files/arijadmin/2017/areac_report_2017.pdf.

⁹⁷ African Union, *Africa Mining Vision: February 2009*. Available at http://www.africaminingvision.org/amv_resources/AMV/Africa_Mining_Vision_English.pdf.

⁹⁸ World Bank, *West Bank and Gaza: Area C and the future of the Palestinian economy*, Report No. AUS2922 (Washington, D.C., October 2013).

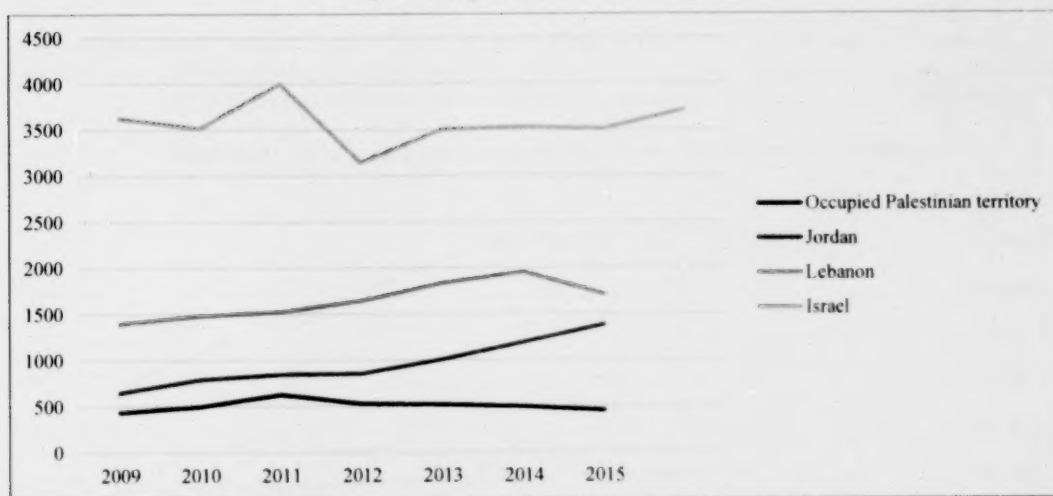
Israel's general consumption comes from its quarries in the occupied Palestinian territory.⁹⁹ The benefits from raw mineral extraction for exports and as an input to the domestic economy are accruing to Israeli rather than Palestinian firms.

60. Israeli authorities have not been issuing new permits for Palestinian companies to quarry in Area C since 1994, yet mineral reserves there are worth an estimated \$30 billion.¹⁰⁰ According to the Palestinian Union of Stone and Marble, since 2012, existing licences have not been renewed. This has resulted in several Palestinian quarries in Area C ceasing operations or being forced to shut down.¹⁰¹ The mineral potential of the Dead Sea is also limited for Palestinians due to Israeli restrictions on access and use.

2. Hindrances in the agriculture sector

61. The agricultural sector in the occupied Palestinian territory has stagnated in recent years and faces constraints placed upon it by the Israeli occupation. Agriculture's contribution to GDP has decreased in recent years, from 7 per cent in 2009 to 4 per cent in 2015. This reflects global trends of a declining share of agriculture in total output and a rising share of services. However, agricultural output has fallen in absolute terms as well, from \$1 billion in 2012 to \$800 million in 2015,¹⁰² against global trends. Also striking is the stagnation at low levels of agricultural value added, illustrated in figure 6.

Figure 6. Agricultural value added in selected countries
(Millions of United States dollars)



Source: ESCWA calculations based on data from the World Bank, World Development Indicators. Available at <https://data.worldbank.org/products/wdi> (accessed on 15 April 2018).

⁹⁹ Yesh Din, "The great drain – Israeli quarries in the West Bank: High Court Sanctioned Institutionalized Theft", Position Paper (September 2017).

¹⁰⁰ World Bank, West Bank and Gaza: Area C and the future of the Palestinian economy, p. 13.

¹⁰¹ Yesh Din, "The great drain", pp. 21-22; Human Rights Watch, *Occupation, Inc.: How Settlement Businesses Contribute to Israel's Violations of Palestinian Rights* (January 2016); World Bank, West Bank and Gaza - Area C and the future of the Palestinian economy, pp. 13-15.

¹⁰² Data from PCBS, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Other-2016-E-19.html (accessed on 15 May 2018).

62. Significant potential exists in agricultural processing and industry. Manufactured agricultural products can better withstand global agricultural commodity price swings, provide higher incomes from export, and their development can build lateral linkages to other industrial activities. However, this potential is constrained by Israeli practices.

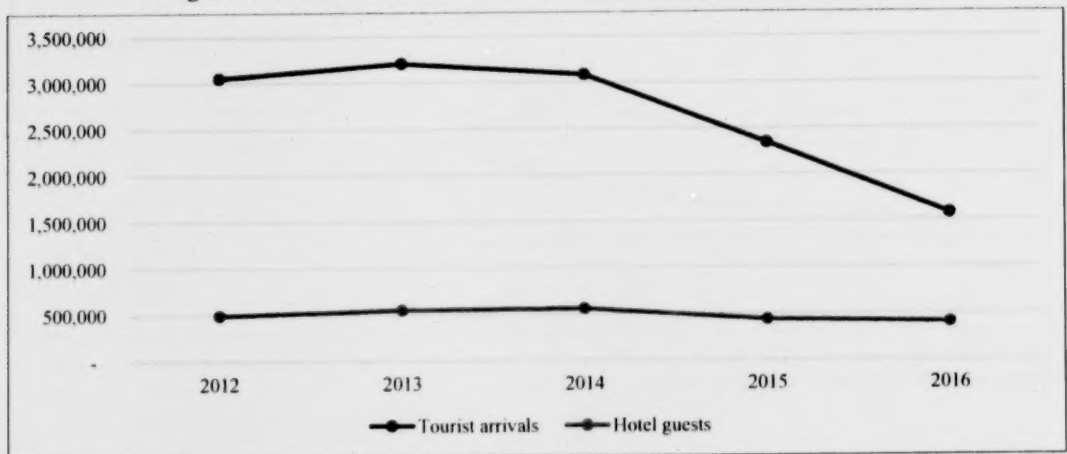
63. A study by the Applied Institute of Research Jerusalem (ARIJ) showed that, in 2013, the largest food processing activities in the occupied Palestinian territory included the production of canned vegetables and fruits, oils and vegetable fats, wheat flour and grains, and pasta and vermicelli.¹⁰³ The study noted that processed foods had a profit margin of 12 per cent domestically and 20 per cent in foreign markets. It highlighted the importance of exports and access to foreign buyers for Palestinian agro-processing, and underlined the constraints stemming from Israeli measures and restrictions.

64. Several other factors affect the performance of the agricultural sector, including restrictions placed by Israel on Palestinians' access to the Seam Zone and areas close to settlements. This has for example reduced olive tree yields in the Seam Zone by 55-65 per cent over the last four years, compared with yields in areas that can be accessed year-round.¹⁰⁴ The blockade in Gaza also prevents upkeep of land and current crops, and the restoration of irrigation systems and maintenance of soil fertility. Another obstacle is that the occupied Palestinian territory market is flooded with agricultural products at low prices originating from Israel and its settlements.¹⁰⁵

3. Obstacles and violations in the tourism sector

65. Tourism is potentially a significant income-generating sector in the occupied Palestinian territory, particularly due to the religious status of a big number of sites. It has experienced periods of growth and development. However, the sector is particularly vulnerable to the restrictive actions of Israel.

Figure 7. Numbers of tourist arrivals and hotel guests in the West Bank



Source: ESCWA calculations based on data from the World Tourism Organization. Available at <http://statistics.unwto.org/content/compendium-tourism-statistics> (accessed on 1 May 2018).

¹⁰³ http://www.arij.org/files/arijadmin/IDRC/finalceremony/2015_05_06_-_Booklet_-_FPCA_project_-_English_final_-_March_2015_-_not_for_IDRC.pdf.

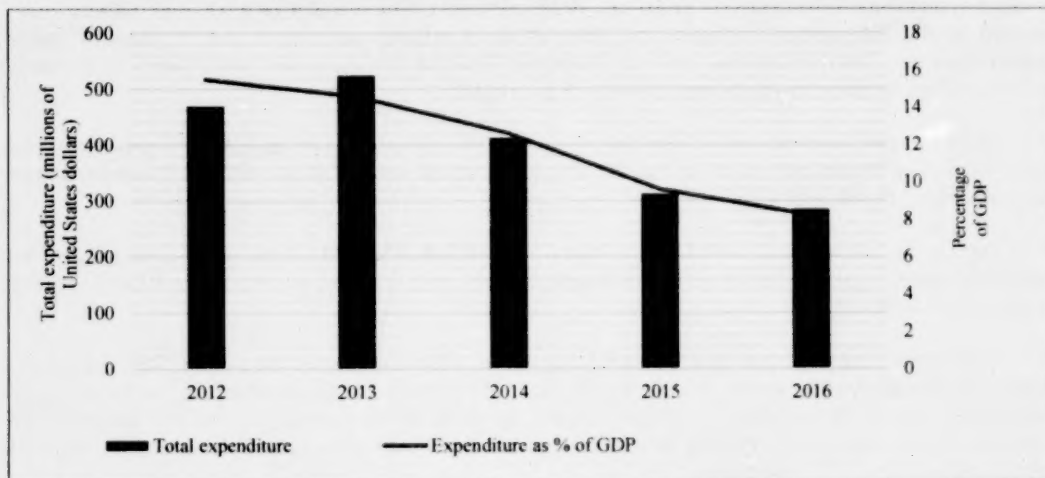
¹⁰⁴ OCHA, Humanitarian Bulletin: Occupied Palestinian Territory, November 2017.

¹⁰⁵ United Nations Conference on Trade and Development, *The Besieged Palestinian Agricultural Sector* (New York and Geneva, 2015).

66. Figure 7 shows that arrivals of tourists decreased from 2013 to 2016, while the numbers of hotel guests remained roughly constant. Most tourists stay in hotels in occupied East Jerusalem and Israel, only taking day tours to sites in the West Bank. Mobility restrictions imposed on Palestinians in the West Bank are not applicable to foreigners or to Israeli tour operators.

67. Recent PCBS data show that tourist arrivals during the first six months of 2017 (1.4 million arrivals) were up significantly from the first six months of 2016 (952,000 arrivals). This positive trend can be built upon by further fostering the tourism sector. However, the low numbers of hotel guests persist, with only 260,868 guests in the first six months of 2017.¹⁰⁶ Expenditure on tourism travel has been falling, as illustrated in figure 8.

Figure 8. Expenditure on tourism travel in the occupied Palestinian territory



Source: ESCWA calculations based on data from the World Tourism Organization. Available at <http://statistics.unwto.org/content/compendium-tourism-statistics> (accessed on 1 May 2018).

68. The 1994 Protocol on Economic Relations between Israel and the Palestine Liberation Organization states that "tourism companies and agencies licensed by either side shall enjoy equal access to tourism – related facilities and amenities in border points of exit and entry according to the regulations of the authority operating them".¹⁰⁷ Nevertheless, Israel has denied the control of Palestinians over the entry and exit of tourists in the West Bank, including East Jerusalem. Palestinians are thus unable to charge visit fees or to collect data.¹⁰⁸ Israel has also violated the Protocol by denying Palestinian tourism professionals permits to work as tour guides in Israel. By 2015, there were 25 Palestinian tour guides working in Israel, while 8,000 Israeli tour guides had access to sites in Area C, as well as historic sites in Areas A and B (which are technically off limits to Israeli citizens).¹⁰⁹

¹⁰⁶ PCBS and the Ministry of Tourism and Antiquities (MOTA), "Sustainable tourism – A tool for development", press release on World Tourism Day, 27 September 2017. Available at <http://www.pcbs.gov.ps/post.aspx?lang=en&ItemID=2522>.

¹⁰⁷ The Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, Annex IV: Protocol on Economic Relations between the Government of the State of Israel and the Palestine Liberation Organization, 1994, article X (6).

¹⁰⁸ State of Palestine, *Israel's Exploitation of Palestinian Tourism and International Complicity: Tourism as a Tool to Normalize Occupation* (December 2017).

¹⁰⁹ Ibid.

69. The Palestinian Ministry of Tourism reports that Israel has damaged or destroyed 1,000 historical sites in the process of the building the wall.¹¹⁰ Furthermore, Israel has denied applications for permits to rehabilitate cultural, natural and archaeological sites.

70. Finally, Israel has extended its domestic law to East Jerusalem and has declared the majority of discovered and undiscovered historic artefacts as property of the State of Israel, which is in violation of international law.¹¹¹

IV. CONCLUSION

71. Israel continues to consolidate its control over the occupied Palestinian territory. In addition to the loss of life and limb, Israeli policies and practices have resulted in the deterioration of social and economic conditions, and caused humanitarian crises and de-development. The cumulative direct and indirect losses incurred by the Palestinians throughout 51 years of direct military occupation and 70 years of forced displacement are intergenerational and multilayered. Despite the need for one, there is currently no methodology to guide any assessment process in this regard.

72. Many of Israeli practices and policies are in violation of international law, including the principle of the inadmissibility of the acquisition of territory by war, and multiple articles of international humanitarian law and international human rights law.

73. For decades, Gazans have been living in unprecedented and unbearable conditions. Additional detailed research is needed to generate further evidence-based advocacy on their situation and to support them in putting an end to their suffering.

74. Interventions are needed to spur industrial success, in order to overcome the extraordinary constraints imposed by the occupation and to unleash the potential for resource-based manufacturing in the occupied Palestinian territory. The subsectors of agro-business and mineral-based manufacturing and the means to overcome Israeli restrictions impeding their development should be further examined so that the required policies and actions can be determined.

¹¹⁰ Ibid.

¹¹¹ See United Nations Educational, Scientific and Cultural Organization (UNESCO), Decision 39 COM 7A.27 on the Old City of Jerusalem and its Walls (site proposed by Jordan) (C 148 rev); and para. 9 of the present document.



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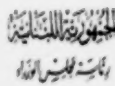
Thirtieth session
Beirut, 25-28 June 2018

Item 8 of the provisional agenda

**Outcomes of the 2018 Arab Forum on Sustainable Development****Summary**

The secretariat of the Economic and Social Commission for Western Asia (ESCWA) hereby presents the report of the 2018 Arab Forum on Sustainable Development to the thirtieth ESCWA session, as adopted by the Forum at its fifth session held in Beirut from 24 to 26 April 2018 on the theme "Natural resources, future generations and the common good". The Arab Forum constitutes a high-level regional platform to review and follow up on the implementation of the 2030 Agenda for Sustainable Development in the Arab region. Its report contains key messages that will be presented at the High-level Political Forum on Sustainable Development, to be held in New York from 9 to 18 July 2018 on the theme "Transformation towards sustainable and resilient societies".

ESCWA organized the 2018 Arab Forum in collaboration with the League of Arab States and United Nations organizations operating in the Arab region. Its work programme included general sessions on the main theme, the means of implementation at the regional level, and national experiences in implementing the 2030 Agenda; and specialized sessions focusing on priority issues for the Arab region, such as the exchange of lessons learned from voluntary national reviews, the role of civil society in implementing the 2030 Agenda, water and its links to sustainable development, mainstreaming gender equality and women's empowerment in national plans to achieve the Sustainable Development Goals, youth issues and young people's role in the transformation towards sustainable Arab societies, the environment and its role in achieving integration by incorporating environment issues in development planning, the principle of 'leaving no one behind' within the framework of the 2030 Agenda, the role of cities and local governments in achieving sustainable development, and sustainable energy and its role in building sustainable and resilient societies.



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Economic and Social Commission for Western Asia (ESCWA)

Report

2018 Arab Forum for Sustainable Development

“Natural resources, future generations and the common good”

United Nations House, Beirut, 24-26 April 2018



United Nations
Beirut, 2018

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Introduction

1. The Economic and Social Commission for Western Asia (ESCWA), under the patronage of the Lebanese Prime Minister, Mr. Saad Hariri, and in collaboration with the League of Arab States and other United Nations organizations operating in the Arab region, organized the 2018 Arab Forum for Sustainable Development (AFSD) on the theme “Natural resources, future generations and the common good”, which was held in Beirut from 24 to 26 April 2018. Lebanon chaired the Forum, which was opened by Mr. Ghattas Khoury, the Lebanese Minister of Culture, representing the Prime Minister.
2. The AFSD is a high-level regional platform for reviewing and following up on the implementation of the 2030 Agenda for Sustainable Development in the Arab region. The Doha Declaration on the Implementation of the 2030 Agenda for Sustainable Development, emanating from the twenty-ninth ESCWA session (Doha, 13-15 December 2016), enshrines the Forum as an annual meeting of Arab Governments and sustainable development stakeholders to consider national and regional experiences and the implementation mechanisms of the 2030 Agenda at the national and regional levels.¹ The outcomes of the Arab Forum are submitted to the High-Level Political Forum on Sustainable Development (HLPF).
3. The 2018 Arab Forum was preceded by six regional preparatory meetings, namely: the Arab High-level Forum on the World Summit on the Information Society and the 2030 Agenda for Sustainable Development (Beirut, 8-12 May 2017); the Regional Seminar for Parliamentarians on the 2030 Agenda (Beirut, 8-9 November 2017); the Arab Preparatory Meeting on Energy-related Issues for the 2018 AFSD and the HLPF (Beirut, 27-28 March 2018); the Arab Preparatory Meeting on Water Issues for the 2018 AFSD and the HLPF (Beirut, 28-29 March 2018); the Arab Preparatory Meeting on Environmental and Natural Resources Issues for the 2018 AFSD and the HLPF (Cairo, 11-12 April 2018); and the Regional Meeting of Civil Society on Sustainable Development in the Arab Region (Beirut, 22-23 April 2018) (see annex to the present report).
4. The 2018 Arab Forum coincided with the third year of implementation of the 2030 Agenda. More Arab countries have begun adapting their national plans and strategies to the 2030 Agenda, establishing the necessary institutional structures to support the implementation of the 2030 Agenda at the national level, and designing follow-up and review mechanisms at the national and regional levels.
5. The Forum’s work programme included plenary sessions on the main theme “Natural resources, future generations and the common good”, the means of implementation at the regional level and national experiences in implementing the 2030 Agenda; and special sessions focusing on priority issues for the Arab region.
6. Participants in the 2018 AFSD agreed on several key messages for submission to the HLPF, which will be held in New York from 9 to 18 July 2018 on the theme “Transformation towards sustainable and resilient societies”. The outcomes of the Arab Forum will also be presented at the thirtieth ESCWA session and at the fifth meeting of the ESCWA Executive Committee.

I. KEY MESSAGES FROM THE 2018 AFSD

A. GENERAL MESSAGES

Confirm the Arab region’s development priorities as presented in the outcomes of previous Arab Forum sessions since 2014.

¹ The Forum derives its terms of reference from a series of ESCWA resolutions, including resolution 327 (XXIX) on the working mechanisms of the AFSD adopted at the twenty-ninth ESCWA session (Doha, 13-15 December 2016), resolution 314 (XXVIII) on the AFSD adopted at the twenty-eighth ESCWA session (Tunis, 15-18 September 2014), and Executive Committee resolution 322 on a strategy and plan of action on the 2030 Agenda on Sustainable Development adopted by the Committee at its second meeting (Amman, 14-16 December 2015).

2. Affirm the key messages emanating for the 2017 Arab Forum submitted to the 2017 High-level Political Forum, and the need to implement the practical recommendations therein² and to renew commitments to the objectives of regional general and sectoral forums on the 2030 Agenda and to the recommendations made at the Arab Forum's regional preparatory meetings.
3. Stress the effectiveness of regional participatory work between United Nations organizations operating in the Arab region, the League of Arab States and all governmental and non-governmental stakeholders, such as the private sector, banks, funds, civil society organizations, academia, research centres and media organizations, so as to unify the Arab region's positions on implementing and following up on the 2030 Agenda.
4. Affirm the principle of real participation, integration and coordination between institutions and all stakeholders at the national and regional levels by adopting mechanisms and frameworks that strengthen stakeholder participation in implementing the 2030 Agenda.
5. Call for establishing the foundations of democracy and for effective political participation from political parties, parliaments, civil society, the private sector, academia and the media, given that governance built on the principles of human rights, participation, transparency, integrity and accountability enhances national ownership and people's involvement in the development process.
6. Monitor the current situation in the Arab region and its repercussions for human beings and the natural environment in development planning, while taking into account social, environmental, economic, cultural and political changes and with reference to data, policies and mechanisms.
7. Reduce social, economic and cultural disparities in handling natural and environmental resources to enable all social groups to tackle natural phenomena, such as climate change, desertification and floods; and uphold people's right to access information and justice, have their voice and concerns heard by decision-makers, and impact the equitable management, use and distribution of natural resources.
8. Stress the important role of civil society in calling for social justice and the protection of human rights as pivotal goals and fundamental principles for exacting transformative change in the Arab region's sustainable development approach.
9. Confirm the critical importance of investing in young people as a significant demographic dividend, and a key pillar for achieving the SDGs. This requires their empowerment and participation in all economic, social, environmental, cultural and political dimensions, as principal contributors to raising human capital, keeping pace with global developments and building a diverse economy based on science, knowledge and innovation.
10. Underscore the importance of the relationship between the scientific community and decision-makers and of strengthening communication between them; support scientific research and competitiveness and humanities and social sciences that assist in linking the various dimensions of development, and in formulating development policies and approaches and monitoring their impact on people, societies and common cultural heritage; and call for the establishment of a committee comprising Arab scientists from various professional backgrounds to provide guidance to decision-makers.

² <https://www.unescwa.org/sites/www.unescwa.org/files/events/files/arab-forum-sustainable-development-2017-final-report-en.pdf>

11. Work on formulating curriculums in line with current developments to raise citizens who are active in their societies, and enable them to fully achieve their aspirations and become the driving force towards transformative change; and review the cultural dimension of sustainable development and enshrine development as a human right and as a process for ensuring sustainability and a decent life for current and future generations.

B. IMPLEMENTING AND FOLLOWING UP ON THE 2030 AGENDA:
ARAB COUNTRIES' PERSPECTIVE

2030 Agenda from Arab countries' perspective

12. Formulate development plans based on clear and comprehensive visions that take into account interlinkages between issues, and follow a phased application process in the short, medium and long terms to ensure that those plans are flexible and updateable in the light of periodic evaluations and national and regional developments.
13. Work on raising awareness and standardizing concepts and discourse through cooperation and coordination within Government and between its institutions to ensure that the 2030 Agenda is seen as an integrated development programme; and build upon and restructure existing institutional frameworks and mechanisms, if required, and strengthen the capacity of their cadres rather than developing parallel systems that might restrict institutional coordination and cooperation efforts.
14. Build institutional capacity and increase communication between Government, financial institutions and the public and private sectors and forge fruitful partnerships between them; enhance transparency, accountability, oversight, data collection systems, information exchange and support for the role of scientific and research institutions; promote dialogue and cooperation between sectors; and strengthen local governance.
15. Identify institutional frameworks that regulate between governmental and non-governmental bodies to guarantee periodic cooperation and partnership on sustainable development issues.
16. Confirm the importance of public budgets as a tool for translating national plans and strategies into implementable and sustainable development projects, while stressing the need to follow a real participatory approach, especially by involving parliament in developing, implementing and monitoring government budgets.
17. Strengthen Arab parliaments' oversight role by raising awareness of development plans and programmes, and by developing tools to monitor government work through checks and balances, inquiries and parliamentary committees.
18. Affirm that data gaps, weak statistics systems and data analysis are major challenges facing Arab countries in identifying national priorities, goals and targets in line with their situations and aspirations.
19. Focus on the regional dimension of sustainable development and the need to strengthen coordination, cooperation, integration and solidarity between Arab countries, given that development issues such as environmental challenges, water resources, energy and migration, including brain drain, are joint issues that require real regional partnerships that effectively contribute to supporting the Arab least developed countries and conflict-affected countries.

20. Intensify regional efforts to promote peace and the rebuilding of war-damaged countries and areas, and support humanitarian and development initiatives in countries facing severe crises resulting from displacement, by adopting interim solutions and policies covering social, environmental, political and economic issues.
21. Stress the importance of investing in local development work through a participatory approach that contributes to preserving the social fabric and promoting reconciliation.

Follow-up and review at the national level, including voluntary national reviews

22. Recognize that voluntary national reviews are not only a mechanism to follow up on national development efforts, and that they entail more than the preparation of national reports. They are a catalyst for long-term participatory work, a tool to reformulate partners' roles and to identify their cooperation mechanisms, and an opportunity to consider achievements, identify gaps, assess weaknesses and ensure that the development process is on the right track.
23. Acknowledge that developing an approach covering all government sectors requires tackling disparities in understanding sustainable development plans and in interactions between different sectors and government bodies to prepare for drafting voluntary national reviews, while taking into account the importance of raising awareness, standardizing the development discourse, and avoiding multiple coordinators of the review process at the national level.
24. Underscore the need for Governments to involve all stakeholders, including local governments, civil society, the private sector, parliament and houses of expertise, in all preparatory stages of voluntary national reviews, namely in the planning process and in collecting information to draft the reviews, and not only in revising the final drafts.
25. Consider a mechanism for selecting civil society organizations to participate in the voluntary national review process and in preparing a report for submission at the High-level Political Forum to ensure the adoption of a participatory approach that also preserves those organizations' independence.
26. Confirm the importance of mainstreaming gender equality in the development and evaluation of national and regional sustainable development programmes, and in preparing voluntary national reviews for submission at the High-level Political Forum.
27. Strengthen the role of data producers and develop statistical approaches in line with global indicators, and formulate and adopt methodologies to evaluate policy effectiveness that complement the analytical process.
28. Affirm the role of volunteers in preparing national reviews, especially regarding information provision and collection since they are the most familiar with the situation on the ground in various sectors.
29. Confirm the role of the AFSD as a platform for exchanging experiences and lessons, and for benefiting from knowledge accumulated since 2016 from voluntary national reviews, the guidelines issued by the Secretary-General and the handbook on preparing voluntary national reviews, among other tools.

C. NATURAL RESOURCES, THE SUSTAINABLE DEVELOPMENT GOALS
AND FUTURE GENERATIONS FROM AN ARAB PERSPECTIVE

30. Focus on priorities and challenges facing natural resources, especially increasing demand for them because of climate change, water shortages, desertification, flooding, population growth, voluntary and forced displacement and difficult security situations caused by war and occupation, which all impact food, water and energy security, while taking into account the need to conserve them for future generations.
31. Affirm the principles of equality and justice in the use, management and distribution of natural resources, especially regarding women since they are mostly responsible for managing water and energy at the household level; focus on the environmental damage caused by the degradation of natural resources and their misuse; and encourage joint action to reduce inequality in natural resource distribution at the national level.
32. Underscore the role of cultural change in moving towards inclusive government policies and sustainable individual practices, including stopping waste, rationalizing natural resources, enhancing a sense of ownership towards natural resources and supporting vocational training, especially in fields related to water, energy, agriculture and the environment, to alter consumption and management patterns and to preserve resources as a shared responsibility that concerns not only Governments but all social groups and individuals.
33. Stress the importance of identifying effective mechanisms to support and facilitate dialogue and coordination between Arab countries on natural resource management, especially shared resources, to promote projects and initiatives on Arab integration, to meet the needs of refugees, displaced populations and host communities when possible, and to cooperate in preparing reconstruction efforts based on sustainable energy systems.
34. Promote the role of young people as development actors and involve them in formulating policies and in follow-up, monitoring and accountability processes on sustainable development issues; and recognize their role in reconstruction and environmental conservation efforts as a key factor for peace and social cohesion with regard to shared natural resources and the common good.
35. Confirm that the sustainable management of natural resources entails upholding populations' right to control their resources, notably the State of Palestine does not enjoy that right because of the Israeli occupation that also diminishes the sovereignty of neighbouring Arab countries over their land and natural resources, especially water; and request the United Nations to launch negotiations and discussions on international instruments regarding water resources, the sovereignty of Arab States over their resources, the resolution of conflicts over shared water resources, and urging the international community to uphold its responsibilities in that regard.
36. Establish an Arab higher authority on water, energy and food, and support it through technical methods that enable it to consider interrelated issues that strengthen food, water and energy security; and propose recommendations and practical solutions to decision-makers and regional and national strategy developers.

Water

37. Strive to achieve water security in the Arab region at the level of households and local communities, at the subnational, national and regional levels and between countries, to guarantee the provision of and access to sufficient clean water and sanitation services for all.

38. Confirm that understanding the humanitarian dimension of water security assists in ensuring that no one is left behind in development plans, and limits disparities in providing water services that are exacerbated by conflict, crisis, occupation and poverty, in addition to climate change and reliance on transboundary water resources.
39. Guide and operationalize efforts aimed at overcoming water shortages in the Arab region, with reference to the SDGs, indicators, targets and sex disaggregated data, including SDG 6.4 indicators that measure changes in the number of people facing water scarcity.
40. Highlight the interlinkages between SDGs related to water as a principal resource for achieving food security, ensuring health, supporting sustainable cities and ecosystems, preserving energy resources, and achieving peace.
41. Advocate for people's right to water and sanitation services, and call for legal frameworks guaranteeing water rights.
42. Affirm the role of scientific research and domestic innovation in supporting efforts to achieve the water-related SDGs, including innovative technologies that promote the development of non-traditional water resources in the Arab region.
43. Stress the importance of participation and partnerships and international funding, in addition to capacity-building and preparing for natural disasters such as drought and floods, as key factors for achieving water security in the Arab region.

Sustainable energy

44. Underscore the need for Arab economies to move towards sustainable energy, while taking into account disparities in country priorities resulting from the conditions they face, given that business-as-usual in the fields of energy and natural resource management in the Arab region is not sustainable.
45. Highlight the need to consider renewable energy from a regional perspective, rather than from that of individual countries, to achieve an optimal share of renewable energy in the energy mix.
46. Stress the need to strengthen cooperation and trade between Arab countries, advance domestic manufacturing of the elements of clean energy technologies, network between Arab countries, and promote Arab integration projects and initiatives, such as an Arab common electricity market, while focusing on smart grids and green corridors.
47. Advocate the development of integrated and proactive policies and regulatory and legislative frameworks to enable the rapid implementation of measures for efficient energy use and the dissemination of renewable energy to assist the Arab region in moving towards more sustainable use of its natural resources.
48. Attract financial support from donor countries and institutions and international funding to finance joint national and regional programmes and projects to move towards more sustainable energy systems, and forge fruitful partnerships that are compatible with national goals and domestic funding mechanisms.
49. Highlight the need to intensify capacity-building programmes for cadres working in the field of renewable energy and energy efficiency, especially regarding the preparation of feasibility studies and the provision of suitable financing.

50. Confirm the need to follow a rights-based approach in the development process, and to mainstream gender equality and women's empowerment in energy projects and encourage women to become entrepreneurs, so as to reduce poverty and improve health and the environment.

Environment

51. Stress the importance of mitigating the negative effects of economic growth on the environment by evaluating the environmental impact of development projects, including through strategic environmental evaluation of economic and development planning that Governments and financial institutions undertake; and incorporate issues of biodiversity and natural resources into development planning given their key role in sustainable development.
52. Underscore the need to preserve biodiversity and follow an integrated approach to natural resource management, given that natural resource depletion both leads to and results from conflict and displacement, which requires identifying mechanisms that prevent land degradation and desertification so as to reduce pressure on populations and services and preserve peace.
53. Focus on rapid and unregulated urbanization under the framework of international treaties for the protection of ecosystems and biodiversity. Urbanization causes environmental degradation and biodiversity loss, and affects people's health and wellbeing and economic and environmental growth.
54. Since environmental and natural resource issues are transboundary, focus on a participatory approach to implementing the SDGs, benefit from lessons learned and experiences, and strengthen data availability and collection for monitoring and evaluation purposes, especially regarding SDGs that are directly and indirectly related to the environment and natural resources.
55. Stress the importance of investing in disaster risk reduction and in post-disaster reconstruction to build resilience to disasters and adapt to their future impact.
56. Confirm the importance of establishing and institutionalizing national high committees on disaster risk reduction, comprising all national stakeholders including governmental organizations, regional and national non-governmental institutions, civil society organizations covering all specializations, and scientific research centres.
57. Develop national strategies and action plans on disaster risk reduction, and coordinate data collection from all bodies represented in committees to report progress in achieving the global targets of the Sendai Framework for Disaster Risk Reduction through an electronic monitoring system whose indicators are linked to the SDG indicators.
58. Underscore the importance of establishing national databases on disaster losses that occurred over the 10 years before the adoption of the Sendai Framework (2005-2015) so as to facilitate analyses of disaster risk patterns and trends, identify priorities in disaster risk evaluation, and develop the necessary strategies and plans to limit disasters, adapt to and mitigate their future impact and undertake reconstruction so as to build resilience against future disasters.

D. PRIORITY ISSUES AT THE REGIONAL LEVEL

Economic diversification

59. Confirm the importance of adopting a sustainable development approach built on economic diversification, addressing consumption patterns and strengthening sustainable production in view of the challenges facing Arab countries, including economic pressures, demographic changes including from migration and displacement, and the depletion of natural resource such as oil, water and agricultural land.
60. Highlight the importance of developing new sustainable development approaches through economic policy reform, formulating policies to grow the digital economy and promote innovation, strengthening the private sector (especially small and medium enterprises), attracting investment, and ensuring environmental security and social justice.
61. Stress the importance of involving a broad group of stakeholders in formulating sustainable policies on economic diversification, including local governments, the private sector and civil society.
62. Underscore the need for the Arab region to benefit from the continuing industrial revolution by investing in science and technology and strengthening regional cooperation and integration to build capacity and mobilize efforts and resources.
63. Agree on the need to reform education systems as a necessary prerequisite to achieving economic diversification given their strong links to innovation and manufacturing, and to fully benefiting from the digital economy.
64. Stimulate innovation for development by establishing an integrated national innovation system, developing specific initiatives and new approaches in all economic sectors to support small and medium enterprises and incorporate them into the formal economy, and transforming the informal economy (which is widespread in the Arab region) into a formal economy.
65. Highlight the importance of active participation in the Fourth Industrial Revolution and new jobs, expedite the adaptation and modernization of education systems and outputs, promote science and technology and harness them to ensure creativity and entrepreneurship, and stress the need to involve the private sector in those efforts.

Planning for resilient, inclusive and sustainable cities

66. Stress that good city planning benefits everyone equally, including migrants, refugees, the displaced and other vulnerable social groups. It requires mechanisms that guarantee the public's participation in general discussions and a review of laws and legislation that discriminate against certain social groups.
67. Highlight the need to devise solutions and policies to tackle the issue of city land being transformed from a common good to a commodity, and to move from economies based on real estate speculation that exclude large segments of society towards social solidarity economies that meet the needs of all social groups.
68. Underscore the need to make cities healthier by adopting an integrated approach that includes all sectors and stakeholders to develop ideas, identify priorities and monitor progress, starting from the strong links between human health, the various sustainable development dimensions, ownership and social responsibility.

69. Stress the importance of reconstructing war-damaged cities in a sustainable manner; take into account the needs of displaced populations, minorities and marginalized groups; focus on providing education, health and other basic services that contribute to social cohesion; and make sustainable use of archaeological and environmental wealth to stimulate the economy and tourism.
70. Urge decision-makers to devise solutions and adopt new techniques to measure economic, social and environmental changes at the city level such as the Urban Poverty Index that measures poverty in cities, adopt appropriate solutions for the domestic context, and benefit from successful experiences in reducing inequality and achieving balanced, sustainable and inclusive development for all.

Financing inclusive and sustainable development

71. Confirm that securing financing for sustainable development depends on the advancement of the economic system to build national capacity and ensure the fair distribution of wealth, to strengthen the private sector and reform the tax system, to promote economic sovereignty and the shift towards a productive economy rather than a consumer economy, and to develop effective partnerships between different actors, including Governments, banks and financial institutions, the private sector, civil society and the international community.
72. Emphasize the importance of economic diversification and of engaging with the private sector, and support and forge international and regional partnerships to secure funding, particularly for Arab countries facing difficulty in securing the required funding for sustainable development because of decreasing international development assistance and its focus on security and humanitarian aid, economic fluctuations, high public debt, and weak foreign trade that is governed by unfair rules.
73. Stress the importance of facilitating migrant remittance transfer and encourage their investment in development projects in countries of origin.
74. Underscore the need to develop public budgets, employ international standards in their preparation, enhance their transparency, and promote participation in their development, implementation, monitoring and evaluation to reduce corruption and waste, in addition to establishing a legal framework to limit tax evasion and facilitate access to information.
75. Stress the necessity of promoting the private sector's role in achieving sustainable development by creating an enabling environment for investment through legislation and institutional reform; and confirm the need to adopt human rights standards governing the private sector with regard to transparency and responsibility to guide its involvement in the development process.
76. Highlight banks' role in enhancing investor confidence, including through initiatives to encourage banks that finance development projects, providing the necessary data and expertise to enable banks to assess the profitability of development projects, financial literacy, and shifting private sector involvement in the development process from corporate social responsibility to profitability so as to encourage investment.
77. Agree on the importance of adopting an integrated system to combat corruption so as to reform the financial and economic systems, and develop regulations and banking laws to recover stolen assets and invest them in development plans and projects.

78. Emphasize the need to bridge the knowledge gap, through studies on international and Arab experiences in corporate social responsibility and their development impact, in securing financing to achieve development, and in producing data on key indicators.
79. Stress the importance of enhancing cooperation and coordination with funding sources, especially those in the Arab region, particularly sovereign funds, Islamic finance and *zakat* funds, and their role in supporting sustainable development.

Civil society's role in sustainable development

80. Highlight that civil society organizations participating in the 2018 AFSD adopted the outputs and recommendations of the Regional Meeting of Civil Society on Sustainable Development in the Arab Region, held in Beirut on 22 and 23 April 2018.
81. Agree on establishing a platform for civil society organizations operating in the Arab region, as a regional mechanism that strengthens civil society organizations' role in sustainable development, in following up on the implementation of national plans, including the 2030 Agenda, at the national and regional levels, and in scrutinizing Governments.
82. Emphasize the importance of good governance, transparency and self-monitoring in government and non-government sectors, including civil society organizations and the private sector.
83. Stress the need to enhance the operating environment of civil society organizations, and build their capacity to effectively participate in sustainable development and decision-making processes.

Women's empowerment and mainstreaming gender equality to preserve natural resources and achieve the common good

84. Underscore the need to take into account gender issues in all legislative frameworks and laws, and strengthen accountability to achieve gender equality at all government levels to implement the 2030 Agenda.
85. Focus on the importance of disseminating the concept of gender equality in national development plans and the SDGs, and involve women in decision-making and policy formulation regarding water, energy, cities, production, consumption, regional ecosystems and means of implementation, given their role in water and energy management at the household level, to ensure that women and girls are not excluded from the development process because of vulnerability, and to invest their abilities in achieving the 2030 Agenda.
86. Stress the need to effectively involve women in urban planning to enable them to express their concerns and needs, and to take women into consideration when formulating plans so as to strengthen their social and economic participation.
87. Improve the availability and quality of sex-disaggregated data given the region's need for better analytical approaches that contribute to developing gender-sensitive policies and mainstreaming them into efforts to empower women and achieve gender equality.

Young people's role in moving towards sustainable Arab societies

88. Welcome and commend intensive youth participation in the 2018 Arab Forum for Sustainable Development, pursuant to recommendations made at previous forums, as a positive step towards their participation as a key component in achieving the SDGs.
89. Confirm that unemployment, education and the absence of social justice are priorities and a source of concern for young people in the Arab region; and call for the fundamental reform of countries' economic structures to provide decent employment opportunities for young people today and in the future in view of demographic changes and the increased share of young people in Arab societies.
90. Agree on the need to formulate and commit to an integrated human rights and policy framework in tackling all youth issues, which upholds and protects basic freedoms and human rights without overlooking vulnerable or marginalized groups and guarantees equal opportunities for all; and intensify efforts to reach young people in rural areas as they are key to achieving positive change, peace and stability.
91. Affirm the family's role in developing a culture of democracy among young people, often excluded from decision-making processes, despite the importance of their issues in the 2030 Agenda, because of a lack of participatory policies and frameworks, on the one hand, and the reluctance of young people to participate in the political process, on the other. Rapid action is therefore required to build and enhance trust between young people and the State, based on citizenship, freedom and participation.
92. Emphasize the media's role as an advocate for youth issues, thus entailing increased interaction with the media to ensure that it adopts youth issues and to stimulate its role in that regard; and invite the media to publish youth initiatives and innovation in implementing the SDGs.
93. Encourage Arab parliaments to allocate budget resources to youth development and to building their skills to face challenges and devise innovative solutions to them.
94. Agree that Security Council resolution 2250 on youth, peace and security with its five pillars, especially the protection pillar, represents a basic and appropriate framework for young people in the Arab region; and urge countries to raise awareness of the resolution at all levels, open local and national channels of dialogue with young people, and involve them in conceptualizing its implementation.
95. Identify clear steps towards establishing a regional network that influences the formulation and implementation of national and regional policies on young people, including forming an Arab youth delegation to participate in United Nations official events on the 2030 Agenda, providing platforms to discuss and support youth-led organizations, and promote partnerships, networking, communication and skills-building.

The principle of 'leaving no one behind' in the Arab region

96. Confirm that the principle of 'leaving no one behind' is a key pillar of the 2030 Agenda that cannot be implemented without inclusive public policies guaranteed by international law and human rights standards.

97. Affirm that the principle of 'leaving no one behind' is a major challenge facing Arab countries, especially regarding vulnerable groups and people living in rural and remote areas; and devise solutions to raise awareness at the local level and involve governorates and local authorities and communities in identifying priorities, planning, implementing and following up to ensure that everyone benefits from development returns.
98. Recognize that ensuring that no one is left behind requires the adoption of two parallel approaches: the first should focus on tackling structural factors and dynamics that result in poverty and marginalization through inclusive public policies, and the second involves measures and targeted policies to widen the social safety net to tackle current social challenges.
99. Acknowledge that implementing the 'leaving no one behind' principle requires ending discrimination in laws and practices, disseminating a culture of tolerance and solidarity, following human rights-based approaches, and committing to the common good.
100. Stress the importance of applying the 'leaving no one behind' principle by mainstreaming the rights and issues of young people, women, persons with disabilities, older persons and other vulnerable groups, by enabling them and involving them in planning, implementation and monitoring processes, and by preparing follow-up reports.
101. Emphasize the need to adopt new/advanced approaches in humanities and social sciences to identify disparate social groups and monitor the status of those that are not covered in national statistics.
102. Confirm the importance of measurement as a key component of development: measuring progress and identifying gaps is achieved by monitoring the situation of the most marginalized social groups, which requires avoiding national average indicators and developing indicators that measure the impact of national or local policies and programmes on the poorest and most vulnerable social groups.
103. Invite capital to invest in remote rural areas, where services, employment and education are at their lowest levels; and provide financial services, markets and training tools and manage risks for small farmers, in line with the 'leaving no one behind' principle.

Localizing the Sustainable Development Goals

104. Welcome the participation of local authority representatives at the AFSD as a step towards active interconnectedness between the local, national, regional and global levels; and raise awareness about the importance of local development in implementing the 'leaving no one behind' principle.
105. Confirm the necessity of adapting the SDGs to national contexts in the Arab region and of local authorities and municipalities adopting the 2030 Agenda and its principles as a general framework to identify priorities, goals and targets, while taking into account national strategies and programmes, on the one hand, and geographic, demographic and social characteristics, on the other; and affirm the role of cities and local communities in the regional follow-up and review process and in scrutinizing the Government and evaluating its work.
106. Recognize that achieving the SDGs requires establishing appropriate institutional implementation and follow-up mechanisms and strengthening existing partnerships with civil society and development actors by forging partnerships and networking with municipalities and by promoting further decentralization to enable local authorities to efficiently fulfil their functions, in coordination with national Governments.

107. Affirm the importance of mobilizing financial, human and administrative resources to ensure the independence of local decision-makers, which requires a review of laws that regulate budgeting and govern donors and central authorities' relationships with local authorities.

E. SUPPORTING REGIONAL EFFORTS TO PREPARE
FOR THE 2019 ARAB FORUM

108. Stress the need to translate some messages into practical steps through regional activities implemented in the period until the 2019 Arab Forum. Those activities could include the following:
- Organize an expert group meeting comprising all partners involved in the follow-up and review process.
 - Organize a meeting on follow-up mechanisms and voluntary national reviews.
 - Broaden the base of consultation and dialogue between non-governmental partners, especially civil society organizations and the private sector.
 - Organize an annual regional meeting for parliamentarians to strengthen national parliaments' role in implementing the 2030 Agenda and in the follow-up and review process.
 - Promote knowledge production and build capacity by developing training material in Arabic on aligning the 2030 Agenda with national and regional specificities.
 - Form a team of experts and trainers specialized in the 2030 Agenda and the SDGs.
 - Promote partnerships and organize joint activities between all actors in the field of sustainable development and the 2030 Agenda, including United Nations organizations operating in the Arab region and the League of Arab States.
 - Prepare a report on progress in implementing the work programme, to be presented at the 2019 AFSD.

II. SESSIONS AND PRESENTATIONS

7. In addition to an opening and closing session, the 2018 Arab Forum consisted of seven plenary sessions on the main theme "Natural resources, future generations and the common good".
8. The 2018 Arab Forum also included nine special sessions on priority issues for the Arab region.

A. OPENING SESSION

9. Speakers at the opening session included Mr. Mohamed Ali Alhakim, Under-Secretary-General of the United Nations and Executive Secretary of ESCWA; Ms. Nada Al Agizy, Director of the Sustainable Development and International Cooperation Division of the League of Arab States, who spoke on behalf of the Secretary-General; Mr. Luay Shabaneh, Regional Director of the Arab States Regional Office of the United Nations Population Fund; Mr. Aziz Rabbah, Minister of Energy, Mines, and Sustainable Development of Morocco; and Mr. Ghattas Khoury, Lebanese Minister of Culture and representative of the Arab Forum's patron. Ms. Amina Mohammed, Deputy Secretary-General of the United Nations, participated via video recording.

10. Ms. Maisaa Youssef of the ESCWA Sustainable Development Division gave an overview of the status and challenges of sustainable development in the Arab region. She summarized the political, social and environmental instability in the region, and achievements in Arab countries under the 2030 Agenda. She raised several discussion points on sustainable development initiatives launched by Arab countries, and stressed the importance of voluntary national reviews in terms of promoting and benefiting from participation between stakeholders. She presented data on SDGs 6, 7, 11, 12 and 15 from some Arab countries to highlight the lack of data for the required indicators to monitor and evaluate those SDGs.

B. PLENARY SESSIONS

Plenary session 1: Implementing the 2030 Agenda: countries' perspectives on integrated development planning and transformative change

11. Ms. Dalal Saoud, Media Expert, moderated the first plenary session, in which participated Mr. Khalel Mahdi, Secretary-General of the Supreme Council for Planning and Development of Kuwait; Mr. Ahmad Kamaly, Advisor to the Minister of Planning, Monitoring and Administrative Reform for Planning and Monitoring of Egypt; Mr. Ahmad bin Hassan Al Hammadi, Secretary-General of the Ministry of Foreign Affairs of Qatar; Mr. Mohamed Al-Hawri, Undersecretary of the Ministry of Planning and International Cooperation for Economic Studies Sector of Yemen; and Mr. Refaat Hijazi, Advisor to the Chairperson of the Planning and International Cooperation Commission of the Syrian Arab Republic.

12. Panellists gave an overview of their countries' work in development planning since the adoption of the 2030 Agenda. The interventions highlighted the challenges facing the Arab region, especially in aligning national policies and plans with the 2030 Agenda; in monitoring, follow-up and evaluation processes requiring data and information; in development financing and economic diversification; and in making the private sector a fundamental partner in the development process.

13. Participants also underscored the challenges faced by conflict-affected countries, which limited their ability to achieve progress or growth.

Plenary session 2: Voluntary national reviews and the day after: follow-up and review of the 2030 Agenda at the national level

14. Mr. Rami Ahmad, representative of the Islamic Development Bank Group, moderated the second plenary session, in which participated Ms. Haifa Al Mogrin, Assistant Deputy Minister for Sustainable Development Affairs at the Ministry of Economy and Planning of Saudi Arabia; Mr. Mahmoud Ataya, General Director of the Policy and Reform Unit at the Office of the Prime Minister of the State of Palestine; Mr. Hasian Musa Yousif, Advisor at the National Population Council of the Sudan; Mr. Ziad Obeidat, Secretary-General of the Ministry of Planning and Development Cooperation of Jordan; Mr. Nawfal Naciri, Member of the House of Representatives of Morocco; and Mr. Kassem El Saddik, Vice Chair of EvalSDGs in Canada.

15. Representatives presented countries' experiences in preparing voluntary national reviews. Panellists also discussed national data shortages; the importance of strengthening internal capacity and building upon cumulative experiences; the role of different actors, including parliaments, in the follow-up, monitoring and evaluation process of voluntary national reviews; and the importance of disseminating the 'leaving no one behind' principle and of reviewing policy effectiveness.

16. Mr. Kassem El Saddik gave a presentation on voluntary national reviews from a scientific perspective. Following consideration of 65 national reviews from countries across the world, it became clear that the reports often relied on incomplete indicators, failed to assess realities on the ground, and did not reflect consistency between policies and national plans. Moreover, although most national reviews discussed the institutional frameworks employed, they did not highlight the principle of gender equality or accurately present preparations for the preparatory phase preceding the drafting of national reviews.

Plenary session 3: Integrating natural resources in development planning for a resilient and sustainable future

17. Ms. Roula Majdalani, Director of the ESCWA Sustainable Development Policies Division, moderated the third plenary session, in which participated Mr. Aziz Rabbah, Ministry of Energy, Mines and Sustainable Development of Morocco; Mr. Fadi Comair, Director-General for Energy and Water at the Ministry of Energy and Water of Lebanon; Mr. Hussein Abaza, Head of the Sustainable Development Unit (Egypt 2030 Vision) at the Ministry of Planning, Follow-up and Administrative Reform of Egypt; Ms. Seteney Shami, Director-General of the Arab Council for the Social Sciences in Beirut; and Mr. Jasim Ali, Executive Manager of the Board of Directors of the Peace Generations Network in Baghdad.

18. Panellists discussed the major challenges facing Arab countries with regard to their natural resources, such as water scarcity, natural resource wastage, land depletion, and the impact of climate change, conflict and displacement. They stressed the need to move towards sustainable energy systems by improving resource management, reducing dependence on fossil fuels, employing modern irrigation systems and developing water and energy networks, and raising awareness about effective natural resource management, environmental conservation and consumption rationalization. They also highlighted the importance of countries sharing data and research outcomes, of culture and education to sustainable development, and of incorporating the principle of resource rationalization in school and university curriculums. They focused on peoples' right to sovereignty over their natural resources, and on positive competition between countries to develop their natural resources and benefit from successful experiences; and the need to include the environmental dimension in laws and strategies before their enactment, to establish regulatory bodies to follow up on them, and to empower civil society to evaluate the implementation of development policies.

Plenary session 4: Rethinking economic diversification: safeguarding the lives and livelihoods of future generations

19. Mr. Ghassan Dibeh, Chair of the Economics Department at the Lebanese American University, moderated the fourth plenary session, in which participated Mr. Hassan Janabi, Minister of Water Resources of Iraq; Mr. Muhammad Saidam, Advisor for Research and Science at the Royal Scientific Society of Jordan; Mr. Rami Shamma, Programme Manager at the Development for People and Nature Association in Lebanon; and Mr. Souhail Marine, Regional Expert on Technology for Development.

20. Interventions covered economic diversification and the need to move from consumer economies to productive economies. Panellists discussed the importance of analysing the feasibility of supporting productive sectors, and of benefiting from developed countries' experiences in that regard. They indicated other challenges impeding economic development, such as war, conflict, unregulated urbanization, and increased internal and cross-border displacement. They stressed the need to focus on innovation and the digital economy, especially in a globalized economic environment built on global value chains based on components manufactured in various countries, thus providing an opportunity for developing countries to join value chains by diversifying their economies. They also called for measures to encourage the development of the digital economy, and for new approaches to ICT strategies linked to national development plans.

Plenary session 5: Planning for resilient, inclusive and sustainable cities

21. The following panellists participated in the fifth plenary session: Ms. Huda Alsiyabi, Director of the Community-based Initiatives Department at the Ministry of Health of Oman; Mr. Adib Nehmeh, Expert in Poverty and Human Sustainable Development; Ms. Mona Fawaz, Assistant Professor of Architecture and Design at the American University of Beirut; and Mr. Suhaib Yahya Kasim Al-Darzi, Lecturer in the Civil Engineering Department at Mosul University. Mr. Omar Abdulaziz Hallaj, Senior Coordinator at the Common Space Initiative, moderated the session.

22. Discussions focused on the links between sustainable development, urban planning, promoting security, political stability, efficiency and public health, strengthening the social integration of marginalized groups,

encouraging coordination between relevant government apparatuses at the local level and coordination between local and national governments, and promoting the common good at the city level.

23. Interventions covered the challenges faced by local governments and councils in rebuilding war-damaged cities and in achieving inclusive and sustainable development planning. Panellists reviewed the experience of Oman in strengthening the local administration of cities and its success in improving the health and living conditions of city inhabitants. They also discussed the need to review legislative and regulatory frameworks of local councils to ensure inhabitant participation in cities' sustainable development processes.

Plenary session 6: Financing inclusive and sustainable development in the Arab region

24. Mr. Ziad Abdel Samad, Executive Director of the Arab NGO Network for Development, moderated the sixth plenary session, in which participated Mr. Anas El Hasnaoui, regional expert on effectiveness development cooperation and civil society actor; Mr. Antoine Hobeich, representative of the Union of Arab Banks; Ms. Kinda Hattar, Regional Advisor for Middle East and North Africa at Transparency International; and Ms. Isabell Kempf, representative of the United Nations Environment Programme.

25. Discussions focused on the challenges of financing sustainable development worldwide. Participants considered the Global Partnership for Development called for by the United Nations to achieve sustainable development. They said that the partnership, which depended on official development assistance from developed countries to developing countries and on foreign direct investment, could not fulfil its mandate because of developed countries' weakened capacity to provide assistance and the increasing debt burdens of developing countries. Consequently, foreign direct investment and the private sector had become a key source of financing, thus strengthening the need for economic diversification. Participants said that given the decline of the real economy, it was necessary to enhance productive capacity in several sectors, such as manufacturing, agriculture and technology, to create employment opportunities for young people and encourage a shift from the informal sector to the formal sector. Participants also emphasized the need to combat corruption by strengthening accountability systems and frameworks, auditing, recovering stolen assets, restructuring tax and trade systems and business environments, and moving towards a green economy.

Plenary session 7: (a) Outcomes of preparatory meetings for the 2018 AFSD and the High-level Political Forum; (b) Key messages from the 2018 AFSD

26. Ms. Khawla Matar, Deputy Executive Secretary of ESCWA, moderated the seventh plenary session. Participants reviewed the outcomes of preparatory meetings for the 2018 AFSD and High-level Political Forum. Mr. Bassel Al Ayoubi, Director-General of the Ministry of Communication of Lebanon presented the outcomes of the Arab Forum on the World Summit on the Information Society and the 2030 Agenda for Sustainable Development. Mr. Azmi Shuaibi, Member of the Palestinian Legislative Council, presented the outcomes of the Regional Seminar for Parliamentarians in the Arab Region on the 2030 Agenda. Ms. Aurore Feghaly, General-Director of Oil at the Ministry of Energy and Water of Lebanon, presented the outcomes of the Arab Preparatory Meeting on Energy-related Issues for the 2018 AFSD and HLPF. Mr. Hassan Janabi, Minister of Water Resources of Iraq, presented the outcomes of the Arab Preparatory Meeting on Water Issues for the 2018 AFSD and HLPF. Mr. Zaghloul Samhan, Director-General of Policies and Planning at the Ministry of Environmental Affairs of the State of Palestine, presented the outcomes of the Arab Preparatory Meeting on Environmental and Natural Resources Issues for the 2018 AFSD and HLPF. Mr. Ziad Abdel Samad, Executive Director of the Arab NGO Network for Development, presented the outcomes of the Regional Meeting of Civil Society on Sustainable Development in the Arab Region.

27. The 2018 Arab Forum closed with a detailed statement on the key messages, followed by statements from Ms. Karima El Korri, Ms. Mona Fattah and Ms. Sabbidin of the ESCWA Unit on the 2030 Agenda. The detailed statement confirmed participants' consensus on several steps supporting national and regional processes towards achieving national sustainable development plans and the 2030 Agenda.

C. SPECIAL SESSIONS

28. During the 2018 Arab Forum, nine special sessions were held covering development dimensions, in line with General Assembly resolution 70/299 on the follow-up and review of the 2030 Agenda for Sustainable Development at the global level.

1. *Voluntary national reports: sharing lessons learned* (DESA and ESCWA)

29. Ms. Karima El Korri, head of the ESCWA Unit on the 2030 Agenda, facilitated the session, in which participated Mr. Friedrich Soltau, Senior Sustainable Development Officer at the Division for Sustainable Development Goals of the United Nations Department of Economic and Social Affairs; Ms. Mouchera Karara, Senior Economic Researcher at the Ministry of Planning, Monitoring and Administrative Reform of Egypt; Ms. Ola Sidani, economic expert and SDF focal point for the Presidency of the Council of Ministers of Lebanon; Ms. Wisal Hussein, Assistant Secretary-General of the National Population Council for Technical Affairs and Sustainable Development of the Sudan; and Ms. Yeran Kejijian of the United Nations Volunteers programme.

30. Interventions covered voluntary national reviews as an accelerator of implementation and a catalyst for the localization of the 2030 Agenda; and a whole-of-government and whole-of-society mechanism to set national targets, review progress and mobilize means of implementation. Discussions focused on voluntary national reviews as an opportunity to assess whether national efforts are on the right path towards development, and an enabler of stakeholder engagement, building strategic partnerships and enhancing national ownership of the 2030 Agenda. Participants stressed the importance of the handbook for preparing voluntary national reviews (2018 edition) in terms of facilitating and guiding the work of relevant national bodies. The representatives of Egypt, Lebanon and the Sudan gave an overview of current work to prepare the voluntary national reviews of each of those countries.

2. *Towards a civil society platform in the Arab region*

31. The following panellists participated in the second special session: Ms. Kinda Hattar, Regional Advisor for Middle East and North Africa at Transparency International; Ms. Atidel Mehebri, Director of the Media Center at the Center of Arab Women for Training and Research; Mr. Mustafa Tlili, Executive Secretary of the Arab Trade Union Confederation; Mr. Emad Adly, General Coordinator of the Arab Network for Environment and Development; and Ms. Sylvana Lakkis, Chair of the Arab Forum for the Rights of Persons with Disabilities.

32. Participants discussed the outcome document of the Regional Meeting of Civil Society on Sustainable Development in the Arab Region, the topics of the 2018 Arab Forum and the region's other development priorities under the 2030 Agenda. They highlighted women's right to participate in political and public life, and the importance of mainstreaming gender equality in all aspects of development and of combating discrimination and violence against women. They added that the role of persons with disabilities should also be mainstreamed in all sustainable development issues. The discussion recognized the spread of corruption in the region, and the need to include all sectors in fighting corruption and in advocating the separation of powers. Participants focused on civil society's role in implementing the 2030 Agenda, and on the need to establish a platform for CSOs in the Arab region.

3. *Water and the Sustainable Development Goals: an Arab perspective* (League of Arab States and ESCWA)

33. The third special session was facilitated by Ms. Carol Chouchani Cherfane, Chief of the Water Resources Section of the ESCWA Sustainable Development Policies Division; and Mr. Ziad Khayat, First Economic Affairs Officer at the Water Resources Section. The following panellists participated in the session:

Mr. Hssein Elatfy, Former Minister of Water Resources of Egypt and Secretary-General of the Arab Water Council; Mr. Omar Hattab, UNICEF regional adviser; Mr. Pascual Steduto, Director of the Regional Office for the Near East and North Africa of the Food and Agriculture Organization; Mr. Muhammad Saidam, research and scientific adviser at the Royal Scientific Society of Jordan; Ms. Luna Abu Swairah, Director-General of the Centre for Arab Unity Studies; Mr. Mr. Hammou Laamrani, Integrated Expert at the Housing, Environment and Water Department of the Secretariat of the Arab Ministerial Water Council of the League of Arab States; and Mr. Zaher Sulaimani, President of the Omani Water Association.

34. Discussions focused on the key messages and outcomes of the Arab Preparatory Meeting on Water Issues for the 2018 AFSD and HLPF. Participants also discussed the 'human face of water scarcity', based on a working paper prepared by the Food and Agriculture Organization. Interventions covered: SDG interlinkages under conditions of water scarcity and climate change; improving shared water resource management; and water-related infrastructure and ensuring access to clean water and sanitation services for all in the regional context. Participants stressed the need to raise awareness about water-related challenges facing Arab countries, and guide efforts to promote a culture of water conservation. They also introduced the International Decade for Action on Water for Sustainable Development (2018-2028).

4. *Mainstreaming gender equality and women's empowerment in national SDG implementation plans (UN Women and ESCWA)*

35. The following panellist participated in the fourth special session: Mr. Jean Ogasapian, Minister of State for Women's Affairs of Lebanon; Ms. Shiruk Abayachi, Member of the Iraqi Parliament; Ms. Lina Abirafeh, Director of the Institute for Women's Studies in the Arab World at the Lebanese American University; and Ms. Begona Lasagabaster, Special Representative of the Regional Director of UN Women in Lebanon. Ms. Mehrinaz El Awady, Director of the ESCWA Centre for Women, facilitated the special session.

36. Interventions focused on gender equality and women's empowerment as key elements of the 'leaving no one behind' principle, and on the need for member States to fully and accurately reflect that dimension in their voluntary national reviews. Participants discussed experiences from Iraq and Lebanon, and best practices in the region in the field of mainstreaming gender equality and women's empowerment in national implementation, follow-up and reporting plans. They stressed the importance of strengthening the contribution of civil society and academic institutions in government measures on achieving gender equality targets under the SDGs. They agreed on several issues, including the need to take into account gender issues in all legislation; the importance of involving women in decision-making and in formulating policies on rationalizing natural resource management and consumption; and improving the provision and quality of sex-disaggregated data.

5. *Youth in the Arab region and the transformation towards sustainable societies (Under the auspices of the United Nations Population Fund and ESCWA)*

37. The following panellist participated in the fifth special session: Mr. Luay Shabaneh, Regional Director of the Arab States Regional Office of the United Nations Population Fund; Ms. Zeina Saab, Innovator and Entrepreneur at the Nawaya Network; Mr. Nabil Hendy, representative of the Y-Peer International Centre for Youth Development Center in Arab States. Mr. Samir Anouti, Regional Advisor on Youth at the United Nations Population Fund; and Ms. Alya Alaali, Regional Youth Expert and Co-founder of Bayanat Box. Ms. Nancy Ezzeddine, policy researcher and representative of Bayanat Box, gave a presentation on the situation of young people in the Arab region and the difficulties they faced, notably unemployment and forced migration owing to conflict. She discussed entrepreneurship and the establishment of small and medium enterprises based on innovation as mechanisms for creating employment opportunities. She also considered the status of young Arab women who faced challenges in accessing labour markets, and suffered from sexual harassment and inequalities in employment opportunities and remuneration.

38. Panellists confirmed that a major difficulty facing young people in the Arab region was the absence of a clear vision and strategy tackling youth issues and ensuring their involvement in economic, social and political development. Young people were still excluded from decision-making, although youth issues were directly related to SDG implementation.

6. *Environment and natural resources: their role in integration*
(Under the auspices of the League of Arab States and ESCWA)

39. Ms. Melanie Hutchinson, Regional Development Coordinator at the United Nations Environment Programme, facilitated the sixth special session, in which participated Mr. Mr. Hammou Laamrani, Integrated Expert at the Housing, Environment and Water Department of the Secretariat of the Arab Ministerial Water Council of the League of Arab States; Ms. Soha Farouk, Associate Programme Officer at UN Habitat; Mr. Mohamed Ariana, Director of Policy and International Cooperation at the Ministry of Environment of Jordan; Mr. Zaghloul Samhan, Director-General of Policies and Planning at the Ministry of Environmental Affairs of the State of Palestine; Ms. Amy Fraenkel, Cooperation and Outreach Support for the Convention on Biological Diversity Head for Mainstreaming at the Netherlands Enterprise Agency; Mr. Limam Abdawa, Sustainable Development Unit of the Poverty-Environment Initiative of Mauritania; and Mr. Hassan Abdirisak Ahmed, Project Officer for the Somalia Climate Resilience Initiative of the United Nations Development Programme.

40. Participants confirmed that sustainable consumption and production were multisectoral empowerment tools to achieve the SDGs, and that unregulated urbanization was both the cause and result of environmental degradation and biodiversity loss. Mechanisms were therefore necessary to halt land degradation and desertification and to preserve biodiversity, as was an integrated approach to effective natural resource management. They focused on strategic environmental evaluation as a key tool for economic and development planning; and on the importance of means of implementation that included the need to strengthen innovative partnerships between sectors, and of increasing financial institutions' role in supporting countries to implement the SDGs through sustainable and green investments.

7. *"Leaving no one behind" in the context of the 2030 Agenda for Sustainable Development*
(Under the auspices of UNICEF and ESCWA)

41. Panellists included Ms. Susan Nicolai, Senior Research Fellow in the Growth, Poverty and Inequality Programme of the Overseas Development Institute; Mr. Adib Nehmeh, Expert on Poverty and the 2030 Agenda; and Ms. Tamam Mroue, Executive Director of Mouvement Social.

42. The discussion focused on 'leaving no one behind' as a key principle of the 2030 Agenda, which could only be enshrined through inclusive public policies guaranteed by international law and human rights. Its application required ending discrimination in laws and practices, disseminating a culture of tolerance and solidarity, and employing rights-based approaches that ensured the common good. They stressed the importance of measurement as a key component of development work. They also emphasized the importance of adopting approaches based on humanities and social sciences to identify and monitor disparate social groups not covered by national statistics.

8. *Localizing the SDGs in the Arab region: challenges and prospects for action*
(Under the auspices of UN Habitat and ESCWA)

43. Mr. Frederico Neto, Director of the ESCWA Social Development Division, facilitated the eighth special session, in which participated Ms. Soha Farouk, Programme Officer at UN Habitat; Ms. Mona Harb, Professor of Urban Studies and Politics at the American University of Beirut; Mr. Mohamed Saadieh, President of the Union of Dannieh Municipalities and Co-President of the United Cities and Local Governments World

Organization; and Mr. Ahmed Mansour, Legal Researcher at the UN Habitat International Coalition – Housing and Rights Network.

44. Participants discussed the local dimension of SDG implementation, and the role of cities and local authorities in accelerating SDG implementation and in achieving the urban dimension of the 2030 Agenda. They discussed the importance of administrative and financial decentralization, capacity-building for local authorities, accountability, local measures to protect the environment and promote social and economic development, aligning between the SDGs and local plans in accordance with national priorities, and mobilizing local resources to meet increasing demand for services. Discussions covered equitable urban planning in line with the 'leaving no one behind' principle; and the importance of strengthening the participation of local stakeholders in planning and sustainable development processes. Panellists discussed SDG nationalization in the Arab region; environmental evaluation; and the assessment of governance mechanisms and institutional structures in municipalities and local authorities and their ability to implement the 2030 Agenda.

9. Sustainable energy and the transformation towards sustainable and resilient societies
(Under the auspices of the League of Arab States and ESCWA)

45. Panellists included Mr. Mahmoud Mohamed Reda Mahmoud Fathallah, Senior Economist at the League of Arab States; Mr. Ahmed Abdel-Aziz Mohamed Badr, Executive Director of the Regional Centre for Renewable Energy and Energy Efficiency; Mr. Ayman Fouad Ismail, General Manager of the Palestinian Electric Company; Ms. Yosra Albakkar, Regional Program Manager at the Swedish International Development Cooperation Agency; Ms. Thirza Maria Bronner, Programme Director of the Energy Transition Facility of the Netherlands Enterprise Agency under the Ministry of Economic Affairs and Climate Policy; and Mr. Abdessalem Khazen, Director of the Renewable Energy National Agency for Energy Management of Tunisia. Ms. Radia Sedaoui, Chief of the ESCWA Energy Section, facilitated the special session.

46. Participants commented on the key features of sustainable energy systems in Arab countries and their links to SDG7 targets. They also discussed major challenges, gaps and opportunities in addressing interlinkages between SDG7 and other SDGs. They focused on the importance of attracting and mobilizing financial resources to establish sustainable energy systems, and on key priorities in national development plans that could accelerate the transformation towards sustainable energy systems.

D. CLOSING SESSION

47. The closing session was moderated by Ms. Khawla Matar, who confirmed the commitment of ESCWA to participatory approaches as a basis for the Arab Forum's success. The first draft would be sent to all participants for comments. The final draft of the 2018 Arab Forum's report would then be presented to the High-level Political Forum in July 2018.

48. Mr. Mohamed Ali Alhakim made a closing statement in which he thanked participants for their engagement in the Forum. He confirmed the commitment of ESCWA to standing by Arab countries, and to conveying the region's achievements and challenges at global forums. He also affirmed ESCWA support for Arab countries that would be submitting their voluntary national reviews that year and in following years.

III. PARTICIPANTS

49. The 2018 Arab Forum was attended by 300 participants from 19 Arab countries, including representatives of the organizing bodies (ESCWA, the League of Arab States, United Nations organizations operating in the Arab region including members of the Regional Coordination Mechanism), Governments, major groups and regional bodies involved in sustainable development.

50. The United Nations was represented by UNRISD, ILO, UNDP, UN Women, FAO, UNEP, UN Habitat, UNFPA, WHO, UNESCO, UNICEF, UNIDO, UNHCR, OHCHR and WFP.

51. Participants included over 70 officials from 18 Arab countries, 16 of which are ESCWA member States, namely, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, the State of Palestine, Qatar, Saudi Arabia, the Sudan, the Syrian Arab Republic, Tunisia and Yemen; in addition to Algeria and Djibouti. They included high-level representatives from various specialized ministries; national statistical offices; national population councils; and economic, social and environmental councils. Parliamentarians from Iraq, Jordan, Mauritania, Morocco, the State of Palestine and Tunisia also participated.

52. Major groups and regional and international organizations and funds were represented by the Arab NGOs Network for Development, the Arab Forum for Environment and Development, the Arab Regional Network for Environment and Development, the Arab Network for Food Sovereignty, the Arab Group for the Protection of Nature, Arab Organization of Persons with Disabilities, the Gulf Cooperation Council, the Centre of Arab Women for Training and Research, the Arab Industrial Development and Mining Organization, the International Centre for Agricultural Research in the Dry Areas, the Middle East Desalination Research Centre, the Council of Arab Economic Unity, the Regional Centre for Renewable Energy and Energy Efficiency, the Arab Countries Water Utilities Association, Transparency International, the Saudi Fund for Development, the Islamic Development Bank, and the World Association of Persons with Disabilities. Participants also included representatives of Arab and international academic institutions and of Lebanese, Arab and international media outlets.

Annex

**OUTCOME DOCUMENT OF PREPARATORY MEETINGS FOR THE 2018 ARAB FORUM
FOR SUSTAINABLE DEVELOPMENT AND HIGH-LEVEL POLITICAL FORUM
ON SUSTAINABLE DEVELOPMENT**

Arab High-level Forum on the World Summit on the Information Society and the 2030 Agenda for Sustainable Development. Available at
<https://www.unescwa.org/sites/www.unescwa.org/files/events/files/beirut-consensus-ahlf2017-en.pdf>.

Regional Seminar for Parliamentarians on the 2030 Agenda. Available at
<https://www.unescwa.org/sites/www.unescwa.org/files/events/files/seminar-parliaments-agenda-2030-final-report-en.pdf>.

Arab Preparatory Meeting on Energy-related Issues for the 2018 AFSD and the HLPF. Available at
https://www.unescwa.org/sites/www.unescwa.org/files/events/files/outcome_document_on_energy_issues_for_2018_afsd-hlpf_english.pdf.

Arab Preparatory Meeting on Water Issues for the 2018 AFSD and the HLPF. Available at
https://www.unescwa.org/sites/www.unescwa.org/files/events/files/outcome_document-afsd-prep_meeting2017-en.pdf.

Arab Preparatory Meeting on Environmental and Natural Resources Issues for the 2018 AFSD and the HLPF. Available at
https://www.unescwa.org/sites/www.unescwa.org/files/events/files/outcome_document-final_en.pdf.

Regional Meeting of Civil Society on Sustainable Development in the Arab Region. Available at
https://www.unescwa.org/sites/www.unescwa.org/files/events/files/meeting-arab-civil-society-sustainable-development-key-messages-ar_2.pdf (in Arabic).



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Links between information and communications technology processes and sustainable development

Summary

The present document reviews international and regional information and communications technology processes since the first (Geneva, 2003) and second (Tunis, 2005) phases of the World Summit on the Information Society (WSIS), and the adoption of the outcome document of the high-level meeting of the General Assembly on the overall review of the implementation of the outcomes of the World Summit on the Information Society on 16 December 2015.

The present document is submitted to the thirtieth session of the Economic and Social Commission for Western Asia (ESCWA) to invite member States to strengthen their participation in those processes and increase synergies among them. It is also aimed at inviting them to further support the role of ESCWA in linking WSIS processes to the sustainable development process in the Arab region.

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Introduction

1. Since the first phase of the World Summit on the Information Society (WSIS) in 2003, the Economic and Social Commission for Western Asia (ESCWA) has played an active role in leading regional efforts to build an information society. The role of ESCWA developed further following the second phase of the World Summit in 2005 and the adoption of General Assembly resolution 70/125 of 16 December 2015 on the outcome document of the high-level meeting of the General Assembly on the overall review of the implementation of the outcomes of the World Summit on the Information Society. In the resolution, the General Assembly called for close alignment between the WSIS process and the 2030 Agenda for Sustainable Development.¹

2. ESCWA is working on promoting the development of a digital economy and smart societies in the Arab region, and on using information and communications technology (ICT) to implement the Sustainable Development Goals (SDGs). It has undertaken this role in the context of the call of the General Assembly on regional commissions to continue their work in implementation of WSIS action lines and their contributions to the reviews thereof in the aforementioned resolution.

3. The present document reviews United Nations processes on ICT for development, and links between these processes and the sustainable development process in the Arab region.² It also highlights regional mechanisms for participating in those international processes.

I. LINKING THE WSIS PROCESS WITH THE SUSTAINABLE DEVELOPMENT PROCESS

A. INTERNATIONAL PERSPECTIVE

4. In an information society, development is achieved through the production, exchange and adaptation of information so as to improve the living standards and working conditions of all people. An information society is fundamentally, but not exclusively, built on digital technology. There are disparities in countries' capacity to adapt to rapid developments in technology and knowledge. The transformation towards an information and knowledge society poses significant challenges for developing countries.

5. The General Assembly adopted resolution 56/183 of 21 December 2001, which welcomes the resolution adopted by the Council of the International Telecommunication Union in which the Council endorsed the proposal to hold the World Summit on the Information Society. WSIS aims to bridge the digital divide between developed and developing countries and promote the establishment of an equitable and inclusive information society, by raising awareness of its benefits and by providing the necessary mechanisms to assist developing countries to advance in that process. WSIS was held over two phases: the first in Geneva in 2003, and the second in Tunis in 2005.

1. *First WSIS phase – Geneva 2003*

6. During the first phase of the World Summit, participants adopted the Declaration of Principles and the Plan of Action.³ The Declaration of Principles confirms the commitment to build a people-centred, inclusive and development-oriented information society, where everyone can access information on an equal footing. The Declaration recognizes that the benefits of the information technology revolution are unevenly distributed, and commits to bridging the digital divide and to harnessing ICT to achieve the SDGs.

¹ General Assembly resolution 70/1 of 25 September 2015.

² This document builds upon document E/ESCWA/TDD/2017/IG.1/4(Part I), which was presented at the first session of the Committee on Technology for Development, which was held in Dubai, in February 2017.

³ WSIS-03/GENEVA/9(Rev.1)-E.

7. The Plan of Action contains the following 11 action lines: C1 - the role of public governance authorities and all stakeholders in the promotion of ICTs for development; C2 - information and communication infrastructure; an essential foundation for the information society; C3 - access to information and knowledge; C4 - capacity-building; C5 - building confidence and security in the use of ICTs; C6 - enabling environment; C7 - ICT applications: benefits in all aspects of life; C8 - cultural diversity and identity, linguistic diversity and local content; C9 - media; C10 - ethical dimensions of the information society; and C11 - international and regional cooperation.

8. Although member States approved the WSIS action lines, Internet governance was a controversial issue. Disagreements revolved around governance methods and stakeholders. The issues remained contentious even after the second phase of WSIS.

2. Second WSIS phase – Tunis 2005

9. The second phase of the World Summit reviewed progress since the first phase, and concluded with the adoption of the Tunis Commitment and the Tunis Agenda for the Information Society.⁴ The Tunis Commitment focuses on the following key thematic areas and related issues: Internet governance, financial mechanisms, ensuring access to information and knowledge for all, democracy, sustainable development, freedom of expression, and the free flow of information. The Commitment also raised awareness of the benefits that ICTs can bring to humanity, and their potential role in transforming human activities and interaction.

10. The Tunis Agenda for the Information Society stresses the need to regulate implementation at the international level, in accordance with the action lines set out in the Geneva Plan of Action. It stipulates providing a clear mandate for regional commissions regarding the implementation process at the regional level in coordination with United Nations agencies, as required. It also considers the issue of Internet governance through an invitation to establish two processes: the Internet Governance Forum (IGF) that involves all stakeholders, and an enhanced cooperation process between government bodies. The IGF was launched in 2006, but the enhanced cooperation process has faltered.

3. Renewing the mandates of WSIS and IGF until 2025

11. In 2015, the WSIS mandate was renewed for 10 years until 2025, pursuant to the outcome document of the high-level meeting of the General Assembly on the overall review of the implementation of the outcomes of WSIS,⁵ which became an input in the follow-up and review of the 2030 Agenda. The IGF mandate was also extended to 2025.

12. The key aim of the outcome document was to underscore the increasing reliance of development on digital technology. It set out various ideas related to digital development and the 2030 Agenda. The regional commissions' mandates were also extended, stressing their vital role in supporting the implementation and follow-up process at the regional level. In addition to the 11 action lines contained in the Geneva Plan of Action, other issues were highlighted such as human rights, trust, security and Internet governance.

B. REGIONAL PERSPECTIVE

13. Under the WSIS mandate, the regional commissions play a key role in the Summit's regional follow-up activities. During the Summit's 2003 and 2005 phases, the regional commissions coordinated their efforts in WSIS annual forums and submitted reports on related regional activities and plans.

14. In this context, ESCWA adopted resolution 273 (XXIV) of 11 May 2006 on the follow-up to the development of the Information Society in Western Asia, in which it stresses the importance of following up

⁴ WSIS-05/TUNIS/DOC/9(Rev.1)-E.

⁵ A/RES/70/125.

on the implementation of the Tunis Agenda and the ESCWA Regional Plan of Action for Building the Information Society by strengthening collaboration with member States, providing advisory services to them in fields related to the formulation and implementation of national ICT strategies and action plans, developing a mechanism to foster multi-stakeholder partnerships, and facilitating the implementation of ICT applications for economic and social development.

15. Within the framework of WSIS+10, the scope of the regional commissions' role was expanded, especially with regard to aligning WSIS outputs with the SDGs.

1. Preparatory and follow-up activities for WSIS - 2003-2015

16. Since the launch of WSIS, ESCWA has undertaken a regional leadership role in that regard. Prior to and following the Geneva and Tunis phases, ESCWA held preparatory conferences and conducted follow-up activities to promote the participation of member States, resulting in the 2004 Regional Plan of Action for Building the Information Society.⁶ ESCWA also established a network for ICT policymakers aimed at enhancing regional and international cooperation, identifying appropriate mechanisms for implementing regional projects, developing models for formulating ICT strategies and related action plans, and exchanging new practices and lessons learned.

17. The Regional Plan of Action comprised 10 programmes and 38 projects. Further projects were added in 2007, proposed by the League of Arab States and other regional bodies. The Plan was updated in 2009 under the framework of regional activities to follow up on WSIS outcomes, which resulted in the Damascus Proclamation for Strengthening the Arab Knowledge Society for Sustainable Socioeconomic Development.⁷ Moreover, under the Arab ICT Strategy, the League of Arab States adopted several projects proposed in the Regional Plan of Action.

18. ESCWA prioritized encouraging member States to develop, adopt and implement national strategies on ICT and the information society. In 2005, it published a study entitled *Towards an Integrated Knowledge Society in Arab Countries: Strategies and Implementation Modalities*⁸ containing a reference framework and guide for formulating and implementing national strategies aimed at building an information society and advancing knowledge-based economies in Arab countries. ESCWA resolution 273 (XXIV) has not yet been updated despite the fundamental developments that have occurred since 2006.

19. In 2007, ESCWA published guidelines for the formulation and implementation of the ICT strategy⁹ to assist policymakers in formulating and updating ICT policies and strategies. Over the period 2006-2015, ESCWA prepared many studies and organized activities related to the ICT sector under the WSIS action lines.

20. As part of the WSIS follow-up activities, ESCWA developed an information society portal (ISPER), which is an open-source interactive application in both English and Arabic containing a database. It provides information on the status of the information society in the Arab region and on progress and achievements under each WSIS action line. The content of the portal has been transferred to the ESCWA website.¹⁰

21. To support Governments and information society stakeholders, ESCWA has published seven issues of its biennial report entitled *Regional Profile of the Information Society in the Arab Region* since 2005. The

⁶ E/ESCWA/ICTD/2004/4.

⁷ Summarized in E/ESCWA/ICTD/2009/13.

⁸ E/ESCWA/ICTD/2005/3.

⁹ E/ESCWA/ICTD/2007/2.

¹⁰ <https://www.unescwa.org/arabISprofiles>.

report presents information covering the eleven WSIS action lines, drawing on national sources. It also identifies regional and national ICT initiatives that contribute to achieving the SDGs.

2. Regional follow-up activities for WSIS after 2015

22. Over the past 10 years, international organizations operating in the Arab region, including ESCWA, have launched several initiatives related to implementing the WSIS action lines in the region, and have closely coordinated efforts with Arab Governments, non-governmental organizations, the private sector, other regional commissions, United Nations specialized agencies and programmes, and the League of Arab States. However, links between SDG and WSIS stakeholders remain weak. Even among WSIS stakeholders, links between technology sectors and the administrative development sector require improvement.

23. WSIS+10 invited regional commissions to continue their work in implementing the WSIS action lines, including conducting a periodic regional review to evaluate progress and to adapt or readapt the action lines. Despite those efforts, there is still an urgent need to link between the various information society processes to achieve sustainable development.

24. Achieving the SDGs requires full commitment to WSIS processes. Building an information society is indeed a necessary prerequisite for member States to achieve sustainable development. WSIS processes remain the most comprehensive and multidisciplinary processes in the field of technology for development.

25. ESCWA is striving to bridge the digital divide and build an inclusive people-centred information society aimed at achieving development. It recently organized several activities on the relationship between digital technology and implementing the 2030 Agenda, notably the Arab High-level Forum on WSIS and the 2030 Agenda for Sustainable Development (Beirut, May 2017), under which were held the Conference on Digital Technologies for Sustainable Development Goals and the experts meeting on Shaping the Digital Future in the Arab Region.

26. In 2017, ESCWA prepared a study entitled “Arab Horizon 2030: Digital Technologies for Development,”¹¹ which analyses the growing digital divide between Arab countries and developed countries. It projects the future of several related policy areas until 2030, and proposes fundamental and urgent changes to reduce the divide. In 2018, ESCWA also organized several workshops on the topic, which included the following events:

- An Arab ministerial round table on digital technology for development (horizon 2030) in the Arab countries, held during the World Government Summit (Dubai, February 2018);
- An ESCWA session held at the WSIS Forum (Geneva, 22 March 2018) entitled “Arab Interregional Consultation Meeting on Digital Technologies for Sustainable Development 2030 and Related Regional Processes”.

27. Participants and stakeholders at such events stressed the important role of ESCWA, and highlighted its efforts in following up and implementing the WSIS action lines in the Arab region and in organizing events related to Internet governance to achieve the 2030 Agenda. They invited ESCWA to undertake the following:

- Launch an Arab forum on the information society to be held periodically, complemented by a periodic review of progress in achieving the requirements of WSIS and the SDGs in member States at the national level, similar to the annual WSIS Forum and work currently conducted by the other regional commissions. The Arab forum would follow up and support the Arab region’s efforts on establishing an information society and digital economy over the next decade;
- Intensify cooperation between ESCWA and organizations operating in the Arab region to integrate WSIS processes and SDG processes.

¹¹ Full version is available at https://www.unescwa.org/sites/www.unescwa.org/files/page_attachments/arab-horizon-2030-digital-tech-coping-development-en.pdf.

II. INTERNET GOVERNANCE PROCESS EMANATING FROM WSIS AND ITS LINKS TO THE SUSTAINABLE DEVELOPMENT PROCESS

A. INTERNATIONAL PERSPECTIVE

28. Internet governance was a controversial issue during the first phase of WSIS, held in Geneva in 2003. The role of the Internet Corporation for Assigned Names and Numbers (ICANN), as a private enterprise contracted with the United States Government, was a contentious issue for countries, especially Brazil, China, South Africa and some Arab countries. In the absence of consensus, even regarding the definition of Internet governance, the Secretary-General of the United Nations formed the Working Group on Internet Governance to resolve such issues and prepare a report on the topic before the second phase of WSIS.

29. The Working Group defined Internet governance as "the development and application by Governments, the private sector and civil society, in their respective roles, of shared principles, norms, rules, decision-making procedures, and programmes that shape the evolution and use of the Internet".¹² It also identified public policy issues related to Internet governance, in accordance with paragraph 13 (b) of the Geneva Plan of Action. Public policy issues included administration of the root zone files and system; interconnection costs; Internet stability, security and cybercrime; spam; meaningful participation in global policy development; capacity-building; allocation of domain names; Internet protocol addressing; intellectual property rights; freedom of expression; data protection and privacy rights; consumer rights; and multilingualism.¹³

30. During the second phase of WSIS, held in Tunis in 2005, participants reached a consensus allowing for broader international discussions on public policy principles through the establishment of the IGF and the enhanced cooperation process. The IGF mandate is set out in paragraph 72 of the Tunis Agenda for the Information Society.

31. IGF involves all stakeholders in deliberations, but does not have the authority to make decisions. It considers global Internet governance matters, but does not issue an outcome document. Those features are vital because they bring together stakeholders to discuss public policy, which automatically affects decision-making processes at all levels. The word 'recommendations' was replaced by 'messages' since the latter are non-binding. High-level discussions are expected to result in key messages that organizations can take into account when making decisions on certain issues, projects and treaties.

32. The enhanced cooperation process has not yet been launched. The General Assembly has formed several teams to conduct further discussions on the process, focusing on the role of stakeholders and the nature of cooperation between them in terms of implementation, especially the role of Governments in relation to other stakeholders. Some participants stressed the need for the cooperation process to include all stakeholders in line with their roles, while others said that it was necessary to focus on Governments in accordance with the Tunis Agenda and that the process should take an intergovernmental form. The League of Arab States and ESCWA are currently working together on both issues.

B. REGIONAL PERSPECTIVE

1. *Internet governance in the Arab region: Forum and roadmap*

33. In 2009, ESCWA, in partnership with the League of Arab States, launched an initiative entitled the Arab Dialogue on Internet Governance. In the same year, it published a study entitled *Internet Governance: Challenges*

¹² Report of the Working Group on Internet Governance, June 2005, p. 4, para. 10. Available at <https://www.wgig.org/docs/WGIGREPORT.pdf>

¹³ Ibid, pp. 5-9.

and Opportunities for the ESCWA Member Countries¹⁴ and the Arab Regional Roadmap for Internet Governance: Framework, Principles and Objectives.¹⁵ The regional roadmap helped identify the objective of the Arab Dialogue on Internet Governance by developing a clear strategic framework to tackle Internet governance issues from a regional perspective. ESCWA presented the roadmap at IGF 2010. Internet experts in the Arab region discussed the roadmap in October 2010, and launched the "Call of Arab stakeholders: Towards activating comprehensive Arab cooperation for Internet governance, regionally and internationally",¹⁶ in which they stressed the importance of developing an Arab Internet governance forum as a platform for dialogue on public policy and for cooperation between all stakeholders in the Arab region. They requested ESCWA and the League of Arab States to intensify efforts to achieve that objective. In 2011, the outcomes of those efforts were presented to the Arab Telecommunications and Information Council of Ministers of the League of Arab States, which requested ESCWA and the League of Arab States to hold consultations at the regional level to confirm the importance of instituting the forum and to prepare for its establishment.

34. In 2012, ESCWA and the League of Arab States held a conference and general consultations on establishing an Arab IGF,¹⁷ mobilizing partners wishing to host it, and forming a technical secretariat for the first four years (2012-2015). The League of Arab States presented an outcome document containing the consultation results to the Executive Office of the Arab Telecommunications and Information Council of Ministers at its thirty-first session (Beirut, 2 February 2012), which endorsed the establishment of the forum. ESCWA adopted resolution 306 (XXVII) on developing the Arab Internet Governance Forum process and sustaining efforts in the Arabic domain names field, in which it encourages Governments of member States to actively participate in completing the process of establishing the Arab IGF in coordination with the League of Arab States.

Objectives of the Arab IGF

1. Discuss public policy issues related to Internet governance, particularly the issues raised in the global IGF in order to foster the accessibility, security, stability and development of the Internet;
2. Facilitate the exchange of information, best practice, lessons learned and knowledge, particularly between policymakers, technical experts and academics and to publish recommendations and proposals;
3. Harmonize different points of view into a common understanding of the region's priorities for Internet governance and the mechanisms to respond to the needs of Arab countries;
4. Discuss emerging technologies independent of the operational management of the Internet, and develop relevant recommendations, as needed;
5. Contribute to capacity-building in the area of Internet governance in Arab countries, and encourage all stakeholders to participate and benefit from resources of knowledge and experience;
6. Transfer the Arab perspective to the global level and support the Arab role in the formulation of public policies for Internet governance without taking a supervisory role or replacing existing mechanisms, institutions or organizations;
7. Communicate with regional and international IGFs to facilitate the exchange of experiences and knowledge transfer.

Source: E/ESCWA/ICTD/2012/WG.2/Report.

¹⁴ E/ESCWA/ICTD/2009/7.

¹⁵ E/ESCWA/ICTD/2010/Technical Paper.5.

¹⁶ Available in Arabic at <http://ess.escwa.org.lb/ictd/1301/16.pdf>.

¹⁷ E/ESCWA/ICTD/2012/WG.2/Report.

35. The Arab IGF was established in 2012, in conformity with the mandate of the global IGF. It aims to involve all stakeholders, including Governments, the private sector, civil society, technicians, academics and regional organizations, in an open dialogue on Internet public policies relating to access, security, privacy and openness.

2. Key components of the Arab IGF

36. The League of Arab States and ESCWA have undertaken to sponsor the process of the Arab IGF, while the National Telecommunications Regulatory Authority of Egypt functioned as the Forum's secretariat in its first phase until the end of 2015. In 2013, the Executive Bureau for the Joint Coordination of the Arab IGF was established, chaired by ESCWA and the League of Arab States and consisting of the Forum's secretariat. The Executive Bureau is responsible for making key decisions on determining the Arab IGF overall process, including assigning roles to partners, forming the Forum's Arab Multi-stakeholder Advisory Group (AMAG), and selecting the host of the Forum's annual meetings in coordination with the Arab IGF secretariat.

37. The Executive Bureau is also tasked with coordinating between key partners, the host and AMAG to prepare for Arab IGF annual meetings, ensuring broad stakeholder participation and communicating officially with policymakers so as to guarantee the Forum's continuity and success.

38. AMAG is a component of the Arab IGF and comprises representatives of all stakeholders in the Arab region. It has several functions, including selecting technical issues for discussion at the Forum's annual meetings. It was established in 2012 and reshuffled in 2014 to include 34 experts representing stakeholders. It was reshuffled again in April 2015, and membership was kept open to encourage government representatives to participate further in the development of the Arab IGF process.

3. Activities of the Arab IGF

39. Preparations for the Arab IGF annual meetings occur over several stages: AMAG determines the Forum's theme, discussion topics and programme; the host is selected following the adoption of the terms of reference that identify the responsibilities and requirements of hosting the Arab IGF; and the host carries out logistic and administrative preparations for the meeting.

40. Since its establishment in 2012, the following four Arab IGF meetings have been held:

- The first meeting (Kuwait, 9-11 October 2012) was hosted by the Kuwait Information Technology Society on the theme "A better Internet for a better Arab world";
- The second meeting (Algiers, 1-3 October 2013) was hosted by the Ministry of Post, Information and Telecommunications Technologies on the theme "Partners for development";
- The third meeting (Beirut, 26-27 November 2014) was hosted by ESCWA on the theme "Arab perspective for shaping the future of the Internet";
- The fourth meeting (Beirut, 17-18 December 2015) was hosted by OGERO Telecom on the theme "Internet economy for sustainable development".

41. The meetings resulted in several strategic messages to help decision makers in the Arab region to take appropriate decisions in the field of Internet governance.

42. At the closing of the fourth Arab IGF meeting, ESCWA and the League of Arab States launched a regional initiative, AIGF2020, to evaluate and strengthen the Forum's impact. The initiative aims to review progress achieved by the Arab IGF in its first phase (2012-2015) and improve its performance in the second phase that is expected to extend until 2020 or 2025 (the end of the current 10-year mandate of WSIS).

4. AIGF2020 Initiative

43. The implementation of the initiative began in 2016 and entailed several interconnected activities, including forming technical cooperation working groups to support the two umbrella organizations of the Arab IGF, ESCWA and the League of Arab States, in implementing the initiative's components.

44. The main aim of the initiative is to:

- (a) Review the Forum's accomplishments during its first phase (2012-2015), especially regarding the goals of the Arab Regional Roadmap for Internet Governance launched by ESCWA in 2010;
- (b) Assess the Forum's impact on Internet governance in the Arab region;
- (c) Discuss challenges faced by the Arab IGF in its first phase;
- (d) Offer suggestions on an updated Arab regional roadmap on Internet governance and on the Forum's second phase, so as to achieve the SDGs.

45. The initiative resulted in the following two main outputs:

(a) The Arab IGF Charter, constituting the Forum's general reference framework for the second phase and containing standard operating procedures for its main components, in line with the powers set out in the Arab IGF mandate for the second phase;

(b) The Arab Roadmap for Internet Governance (second edition), which is in line with the 2030 Agenda and aims to encourage stakeholders participating in preparing regional and national plans on Internet governance to benefit from digital technology in achieving sustainable development, and to enhance stakeholder participation in implementing those plans. The roadmap identifies the following new issues:

- *Meaningful access for inclusion:* The term 'access' is used with a very broad interpretation. It should not be restricted to its traditional meaning of adding more subscribers online and just improving penetration indicators. It should mean removal of all possible barriers that limit people's possibilities to reach the Internet and deal with it in a comfortable and useful way. These barriers include the language barrier (for instance, domain names in the Arabic language), and discrimination against social groups, such as women, and other possible barriers. Therefore, it has been assigned the highest priority;
- *Trust and security:* This is of a more general scope than the previous "security" subprogramme and the traditional cybersecurity theme. It involves the national and international legal structures and systems for providing safety, privacy and integrity of the Internet, as well as protecting the property of Internet users, particularly minors and novice users. This also includes the transparency of dealing with the huge amount of data resulting from Internet usage and the need to have an open data policy;
- *Institutional empowerment:* Participating in global public Internet policymaking to shape more balanced, accountable, internationalized and transparent institutional governance schemes is particularly important after the transition of the Internet Assigned Numbers Authority (IANA). The issue of enhanced cooperation needs to be addressed in line with the global work on finding an adequate mechanism to implement it. The participation of developing countries in policymaking has been considerably improved over the years, but there is still a significant need for better and more effective involvement to avoid further delays in their development (such as high fees for generic top-level domains (gTLD) application process, and the conflict resolution mechanism based on auctions which might not be suitable for developing countries).

Public awareness and capacity-building are a fundamental pillar to improve this participation and engage enough people and resources in the Internet governance process;

- *Internet innovations and emerging ecosystems:* This involves the set of issues related to new opportunities offered by the Internet, in the form of economic opportunities or useful applications that could go beyond entertainment and offer a real added value whether economic, social or in other forms;
- *Human development:* This involves the set of issues related to human rights, youth involvement, activating the Internet's role as an effective tool for social development, and relying on the available social media to promote dialogue between different active entities in society and breaking the barriers between various segments of society;
- *Critical Internet resources and Internet infrastructure:* Making sure that the following critical Internet resources are managed on an equitable basis: root zone files and root server system; domain names; Internet protocol addresses; innovative and convergent technologies; and technical standards;
- *Cultural and linguistic diversity:* Improving Internet diversity by increasing digital content relevant to the Arab culture and other cultures and local groups from the region.

III. CONCLUSION

46. Pursuant to recommendations by countries that tasked ESCWA with following up on implementing WSIS action lines in the Arab region and aligning them with the SDGs, ESCWA drafted a concept note in the second quarter of 2018 to prepare for the first issue of the *Arab Report on Digital Technology for Development*, which is expected to be published in 2019. The report will monitor Arab countries' efforts to bridge the growing digital divides between Arab countries and developed countries. In 2018, ESCWA will hold several consultations to involve member States in workshops aimed at preparing national reports for inclusion in the Arab report. National reports will be presented to the Arab High-level Forum on WSIS and the 2030 Agenda, to be held in 2019, and then periodically thereafter similar to the Arab IGF. The outputs of both forums are expected to be used as inputs to the Arab Forum on Sustainable Development, which is held annually and constitutes a high-level regional platform to review and follow up on the implementation of the 2030 Agenda in the Arab region.
